

**SANTA MARIA PUBLIC AIRPORT DISTRICT
BOARD OF DIRECTORS**

**Thursday
June 13, 2019**

**Administration Building
Airport Boardroom
7:00 P.M.**

**REGULAR MEETING
A G E N D A**

This agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2. By listing a topic on this agenda, the Santa Maria Public Airport District has expressed its intent to discuss and act on each item. The Santa Maria Public Airport District welcomes orderly participation at its meetings from all members of the public. This includes assistance under the Americans with Disabilities Act to provide an equally effective opportunity for individuals with a disability to participate in and benefit from District activities. To request assistance with disability accommodation, please call (805) 922-1726. Notification at least 48 hours prior to the meeting would enable the Santa Maria Public Airport District to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Rafferty, Adams, Engel, Brown, Baskett

- 1. MINUTES OF THE REGULAR MEETING HELD MAY 23, 2019.**
- 2. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)**
 - d) CITY & COUNTY LIAISON**
 - e) STATE & FEDERAL LIAISON**
 - f) VANDENBERG LIAISON**
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)**
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register**
 - b) Quarterly Investment Report**
- 5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)**

6. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
7. **ADOPTION OF RESOLUTION 876. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING THE APPROPRIATIONS SUBJECT TO LIMITATION FOR FISCAL YEAR 2019-2020 UNDER CALIFORNIA CONSTITUTION ARTICLE XIIIB (AS AMENDED) AND IMPLEMENTING STATUTES.**
8. **RESOLUTION 878. ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION (NONPERS ELECTED OFFICIALS).**
9. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A SERVICE AGREEMENT BETWEEN THE DISTRICT AND MEAD & HUNT, INC. FOR AIR SERVICE DEVELOPMENT.**
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A REVOCABLE PERMIT BETWEEN THE DISTRICT AND VALLEY ART GALLERY.**
11. **DISCUSSION AND DIRECTION TO STAFF REGARDING THE LEASE BETWEEN THE DISTRICT AND JOHN MCGRAY AND RANDY JOKELA. A PORTION OF PARCEL APN 111-231-9.**
12. **AUTHORIZATION FOR ONE STAFF MEMBER AND ONE COMMUNITY MEMBER TO ATTEND THE P3 AIRPORT SUMMIT TO BE HELD JULY 22-23, 2019 IN SAN DIEGO, CA.**
13. **AUTHORIZATION FOR TUITION REIMBURSEMENT FOR CARLA OSBORN, OPERATIONS OFFICER.**
14. **AUTHORIZATION FOR ONE STAFF MEMBER TO ATTEND THE 73RD ANNUAL SWAAAE SUMMER CONFERENCE TO BE HELD JULY 28-31, 2019 IN TUCSON, AZ.**
15. **AUTHORIZATION FOR THE AWARD OF THE AIRFIELD PAVEMENT MARKING TO CAL STRIPE INC. AND AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE CONTRACT BETWEEN THE DISTRICT AND CAL STRIPE INC. FOR THE AIRFIELD PAVEMENT MARKING SUBJECT TO DISTRICT COUNSEL'S REVIEW OF INSURANCE AND BONDS.**
16. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE BUILDING SPACE LEASE BETWEEN THE DISTRICT AND CENTRAL COAST JET CENTER.**

17. **DISCUSSION AND DIRECTION TO STAFF REGARDING POTENTIAL OPPOSITION LETTER TO AB1486 AND SUPPORT LETTER FOR ACA 1 AS RECOMMENDED BY THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION.**
18. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) **Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: 3820 S. Blosser Road (Gov. Code Section 54956.8).**
 - b) **Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: 3249 Terminal Drive #103 (Gov. Code Section 54956.8).**
 - c) **Pursuant to California Government Code Section 54956.8 with Real Property Negotiators (Chris Hastert and District Counsel) between the District and Nanci Gomez & Alejandro Zirate regarding 4000 S. Blosser Road, Unit 15, Santa Maria, CA.**
19. **DIRECTORS' COMMENTS.**
20. **ADJOURNMENT.**

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MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD MAY 23, 2019

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular place at 7:00 p.m. Present were Directors Rafferty, Adams, Engel, Brown and Baskett. General Manager Hastert, Manager of Finance & Administration Reade and District Counsel George

1. MINUTES OF THE REGULAR MEETING HELD May 9, 2019. Director Baskett made a Motion to approve the minutes of the regular meeting held May 9, 2019. Director Brown Seconded and it was carried by a 5-0 vote.
2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – A meeting has been scheduled.
 - e) STATE & FEDERAL LIAISON – A meeting has been scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – The committee met with a developer to discuss future plans.
3. GENERAL MANAGER'S REPORT. Mr. Hastert notified the Board of the Mass Casualty Drill that took place. He reminded them that the Jumpstart Conference was coming up. The Air Service Development Team is putting together a Community meeting and he gave a summary of how the AirFest Kickoff BBQ went. Mr. Hastert also met with the new Guadalupe Police Chief.
4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.

 - a) Demand Register. The Demand Register, covering warrants 066617 through 066643 in the amount of \$74,938.02 was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Brown Seconded and it was carried by a 5-0 vote.
 - b) Budget to Actual. Received and filed.

- 1 c) Budget Deviation. Director Brown made a Motion to approve. Director Adams
2 Seconded and it was carried by a 5-0 vote.
3
4 d) Financial Statements. This item was tabled until a later meeting.
5
6 5. DISTRICT COUNSEL'S REPORT. Nothing to report.
7
8 6. PUBLIC SESSION: Statements from the floor will be heard during public session.
9 Request to Speak forms are provided for those wishing to address the board. After
10 completing the form, please give it to the Clerk. Requests requiring board action
11 will be referred to staff and brought on the next appropriate agenda. Members of
12 the public are cordially invited to speak on agenda items as they occur. Staff
13 reports covering agenda items are available for review in the offices of the General
14 Manager on the Tuesday prior to each meeting. The Board has established a five-
15 minute time limit for receipt of testimony. The board reserves the right to establish
16 further time limits for receipt of testimony.
17
18 Director Baskett requested to speak regarding an offer he made to the Board. He
19 requested the Board approve his offer.
20
21 7. Adoption of Resolution 873. A Resolution of the Board of Directors of the Santa
22 Maria Public Airport District adopting the rates and charges for fiscal year 2019-
23 2020. Director Baskett made a Motion to approve. Director Adams Seconded and
24 it was carried by the following roll call vote. Directors Rafferty, Adams, Engel,
25 Brown and Baskett voted "Yes".
26
27 8. Adoption of Resolution 874. A Resolution of the Board of Directors of the Santa
28 Maria Public Airport District approving salaries and salary adjustments for non-
29 management employees for fiscal year 2019-2020. Director Baskett made a
30 Motion to approve. Director Engel Seconded and it was carried by the following
31 roll call vote. Directors Rafferty, Adams, Engel, Brown and Baskett voted "Yes".
32
33 9. Adoption of Resolution 875. A Resolution of the Board of Directors of the Santa
34 Maria Public Airport District approving salaries and salary adjustments for
35 management employees for fiscal year 2019-2020. Director Baskett made a
36 Motion to approve. Director Brown Seconded and it was carried by the following
37 roll call vote. Directors Rafferty, Adams, Engel, Brown and Baskett voted "Yes".
38
39 10. Adoption of Resolution 876. A Resolution of the Board of Directors of the Santa
40 Maria Public Airport District adopting the Appropriations subject to limitation for
41 fiscal year 2019-2020 under California Constitution Article XIII B (As Amended) and
42 Implementing Statutes. This item will sit with the public until the next meeting.
43
44 11. Discussion regarding increasing compensation for directors by 5% and direction
45 to staff. The Board gave direction to staff not to move forward with compensation
46 increase.
47
48 12. Discussion regarding an increase in the number of compensable meetings for
49 directors, adoption of Resolution 877, and amendment of the Administrative
50 Code. Director Brown made a Motion to approve. Director Baskett Seconded and

1 it was carried by the following roll call vote. Directors Rafferty, Adams, Engel,
2 Brown and Baskett voted "Yes".
3

4 13. Authorization for the President to execute an employment contract between the
5 District and the General Manager. Director Baskett made a Motion to approve.
6 Director Engel Seconded and it was carried by a 5-0 vote.
7

8 14. Discussion and direction to staff regarding health care for directors. Discussion
9 was held, and direction was given to staff to bring forward a resolution.
10

11 15. Authorization for the award of the Taxilane Pavement Rehabilitation to J.F. Will
12 Co. and Authorization for the President and Secretary to execute the contract
13 between the District and J.F. Will Co. for the Taxilane Pavement Rehabilitation
14 subject to District Counsel's review of insurance and bonds. Director Baskett
15 made a Motion to approve. Director Engel Seconded and it was carried by a 5-0
16 vote.
17

18 16. Authorization for the President and Secretary to execute a Service Agreement
19 between the District and Tartaglia Engineering for the Taxilane Pavement
20 Rehabilitation Project. Director Brown made a Motion to approve. Director
21 Baskett Seconded and it was carried by a 5-0 vote.
22

23 17. Authorization for the award of the Administration District Office and Fire Station
24 and Authorization for the President and Secretary to execute the Contract for the
25 Administration District Office and Fire Station subject to District Counsel's review
26 of insurance and bonds. Director Brown made a Motion to approve. Director
27 Adams Seconded and it was carried by a 5-0 vote.
28

29 18. Authorization for the award of the Terminal Building Observation Roof Deck and
30 Authorization for the President and Secretary to execute the contract for the
31 Terminal Building Observation Roof Deck subject to District Counsel's review of
32 insurance and bonds. Director Baskett made a Motion to approve. Director
33 Brown Seconded and it was carried by a 5-0 vote.
34

35 19. Authorization for two staff members to attend the 2019 Allegiant Airport
36 Conference to be held October 1-3, 2019 in Las Vegas, NV. Director Adams
37 made a Motion to approve. Director Baskett Seconded and it was carried by a 5-
38 0 vote.
39

40 20. Authorization for the President and Secretary to execute the Fourth Amendment
41 of Ground Lease between the District and Central Coast Jet Center for the USFS
42 Air Tanker Base. Director Baskett made a Motion to approve. Director Brown
43 Seconded and it was carried by a 5-0 vote.
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45 RECESS: At 8:11 p.m.
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47 Return to OPEN SESSION: At 8:16 p.m. The Board and staff reconvened to Open
48 Session.
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21. CLOSED SESSION. At 8:16 p.m. the Board went into Closed Session to discuss the following item(s):

- a) Conference with Real Property Negotiators (Chris Hastert and District Counsel) Re: APN 111-231-17 (Gov. Code Section 54956.8).
- b) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: 3820 Blosser Road (Gov. Code Section 54956.8).
- c) Conference with Legal Counsel-Pending litigation pursuant to Government Code Section 54956.9(d)(4): 1 case SMPAD v. David Baskett.

At 8:47 p.m., the Board and staff reconvened to Open Public Session.
There were no reportable actions.

22. DIRECTORS' COMMENTS: Directors Engel and Adams had no comment.

Director Baskett asked about a letter that was written to the airport from a concerned tenant.

Director Brown is excited about the Taxilane Project.

Director Rafferty commented on how great the AirFest Kickoff BBQ was. He thanked Counsel and gave an update on Colonel Huff.

10. ADJOURNMENT. President Rafferty asked for a Motion to adjourn to a Regular Meeting to be held on June 13, 2019 at 7:00 p.m. at the regular meeting place. Director Adams made that Motion, Director Baskett Seconded and the Motion was carried by a 5-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 8:49 p.m. on May 23, 2019.

Hugh Rafferty, President

Carl Engel, Secretary

2018-2019

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 066644 to 066760, and electronic payments on Pacific Premier Bank and in the total amount of \$362,186.44

CHRIS HASTERT
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 066644 to 066760, and electronic payments on Pacific Premier Bank in the total amount of \$362,186.44 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

VERONEKA READE
MANAGER OF FINANCE AND ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF JUNE 13, 2019.

CARL ENGEL JR.
SECRETARY

**Santa Maria Public Airport District
Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description	AIP Reimbursement
* 066644	5/22/2019	ACCO Engineered Systems	\$ 3,733.00	HVAC Maintenance	
* 066645	5/22/2019	Adamski Moroski	\$ 3,035.00	Legal Service	
* 066646	5/22/2019	Advantage Answering Plus	\$ 519.76	Answering Service	
* 066647	5/22/2019	Aflac	\$ 569.94	Voluntary Ins. - Employee	
* 066648	5/22/2019	Allan Hancock College Foundation	\$ 86.84	Airfest Poster	
* 066649	5/22/2019	Architect's Consulting Service	\$ 2,110.00	Architect Services	
* 066650	5/22/2019	Bartlett, Pringle & Wolf	\$ 164.50	Computer Support	
* 066651	5/22/2019	AT&T	\$ 41.63	Phone Service	
* 066652	5/22/2019	California Electric Supply	\$ 300.77	Lighting Maintenance	
* 066653	5/22/2019	Consolidated Electrical Distributors, Inc.	\$ 586.71	Lighting Maintenance	
* 066654	5/22/2019	Berchtold Equipment Company	\$ 42,487.44	Heavy Equip Maint - Mechanical	
* 066655	5/22/2019	Bomar Security & Investigation	\$ 6,039.21	Security Service	
* 066656	5/22/2019	CHEMSEARCHFE	\$ 351.10	Building Maint. - Maint.	
* 066657	5/22/2019	City of Guadalupe	\$ 14,706.55	Security Service	
* 066658	5/22/2019	City of Santa Maria	\$ 300.09	Water Invoice	
* 066659	5/22/2019	Clark Pest Control	\$ 1,099.00	Pest Control - Terminal & Adm.	
* 066660	5/22/2019	Coastal Ag	\$ 207.29	Heavy Equip. Maint.	
* 066661	5/22/2019	De Lage Landen	\$ 102.18	Lease/Maint. - Copier	
* 066662	5/22/2019	Mark English	\$ 2,252.10	Airfest BBQ	
* 066663	5/22/2019	Fastenal Company	\$ 75.91	Shop Supplies	
* 066664	5/22/2019	Frontier Communications	\$ 177.65	Telephone Service	
* 066665	5/22/2019	Home Depot	\$ 776.64	Building Maintenance	
* 066666	5/22/2019	Interstate Batteries	\$ 122.83	Auto Maint. - Mechanical	
* 066667	5/22/2019	J B Dewar, Inc	\$ 3,590.06	Fuel Expense - Gas/Diesel	
* 066668	5/22/2019	Letters, Inc.	\$ 129.95	Auto Maintenance	
* 066669	5/22/2019	Mission Uniform Service	\$ 291.20	Uniform Service	
* 066670	5/22/2019	Napa Auto Parts	\$ 194.17	Auto parts	
* 066671	5/22/2019	Pacific Telemanagement Services	\$ 227.92	Pay Phone Service	
* 066672	5/22/2019	San Luis Powerhouse	\$ 1,115.00	Generator Maintenance	
* 066673	5/22/2019	Sherwin-Williams	\$ 554.21	Painting Supplies	
* 066674	5/22/2019	S Lombardi & Assoc., Inc.	\$ 1,430.00	Airport Advertising	
* 066675	5/22/2019	Santa Maria Valley Crop Service	\$ 7,177.50	Weed/Vector Control	
* 066676	5/22/2019	Ultrex Business Solutions	\$ 2.48	Office Supplies	
* 066677	5/22/2019	WageWorks	\$ 100.00	Cafeteria Plan - Admin. Fee	
* 066678	5/22/2019	Zoom Imaging Solutions, Inc.	\$ 8.09	Lease/Maint.- Copier Machine	
066679-066697		Void			
* 066698	5/31/2019	Allegiant Air	\$ 470.00	Conference	
* 066699	5/31/2019	Allan Hancock College Foundation	\$ 649.15	Advertising	
* 066700	5/31/2019	AT&T	\$ 231.61	Phone Service	
* 066701	5/31/2019	Consolidated Electrical Distributors, Inc.	\$ 104.94	Lighting Maintenance	
* 066702	5/31/2019	City of Santa Maria-Util Div	\$ 4,726.03	Water Invoices	
* 066703	5/31/2019	Comcast	\$ 1,758.29	Cable/Internet /Digital Voice	
* 066704	5/31/2019	Tori Dailey	\$ 460.14	Airfest BBQ	
* 066705	5/31/2019	Ferguson Enterprises, Inc.	\$ 36.68	Building Maintenance	
* 066706	5/31/2019	Frontier Communications	\$ 769.64	Telephone Service	
* 066707	5/31/2019	McMasters and Carr	\$ 52.66	Building Maint. - Terminal	
* 066708	5/31/2019	Mission Uniform Service	\$ 277.19	Uniform Service	
* 066709	5/31/2019	Mail Finance	\$ 200.00	Postage Meter Lease	
* 066710	5/31/2019	Principal Financial Group	\$ 3,201.69	Dental, Life, Disability, Vision	
* 066711	5/31/2019	rrm design group	\$ 1,000.00	Topographic Survey	
* 066712	5/31/2019	Special Dist. Risk Mgmt. Authority	\$ 152,147.05	Property/Liability Insurance/Workers Comp	

* 066713	5/31/2019 Tartaglia Engineering	\$	34,629.57	Masterplan/Taxi Lane
* 066714	5/31/2019 Verizon Wireless	\$	806.96	Cell Phones
* 066715	5/31/2019 Thomas R. Widroe	\$	860.00	Consulting Services
066716	6/11/2019 ACCO Engineered Systems	\$	476.00	HVAC Maintenance
066717	6/11/2019 Chuck Adams	\$	300.00	Directors Fees
066718	6/11/2019 Allan Hancock College Foundation	\$	53.67	Advertising
066719	6/11/2019 AT&T	\$	205.42	Phone Service
066720	6/11/2019 Berchtold Equipment Company	\$	1,210.92	Heavy Equip Maint - Mechanical
066721	6/11/2019 Bomar Security & Investigation	\$	6,168.60	Security Service
066722	6/11/2019 Brayton's Power Wash & Sweep	\$	950.00	Street Sweeping
066723	6/11/2019 Steve Brown	\$	300.00	Directors Fees
066724	6/11/2019 Consolidated Electrical Distributors, Inc.	\$	211.79	Lighting Maintenance
066725	6/11/2019 ECO-T Tire and Retreading	\$	304.74	Auto Maintenance
066726	6/11/2019 Coast Networx	\$	210.00	Computer Support
066727	6/11/2019 Clark Pest Control	\$	990.00	Pest Control - Terminal & Adm.
066728	6/11/2019 Carl Engel, Jr.	\$	400.00	Directors Fees
066729	6/11/2019 Fastenal Company	\$	25.14	Shop Supplies
066730	6/11/2019 Fedak & Brown LLP	\$	125.00	Annual Audit
066731	6/11/2019 Frontier Communications	\$	1,179.91	Telephone Service
066732	6/11/2019 The Gas Company	\$	509.37	Utilities
066733	6/11/2019 Yekaterina Haussler	\$	15.00	Cafeteria Plan Reimbursement
066734	6/11/2019 Hayward Lumber Company	\$	271.88	Maintenance
066735	6/11/2019 Ray Heath	\$	3,575.20	Consulting Service
066736	6/11/2019 J B Dewar, Inc	\$	606.22	Fuel Expense - Gas/Diesel
066737	6/11/2019 J.D. Humann Landscape Contr.	\$	6,321.25	Landscape Maintenance
066738	6/11/2019 Keylock Security Specialists	\$	3,342.35	Maint.- Access Control System
066739	6/11/2019 Limotta Internet Technologies	\$	1,042.42	Computer Support Services
066740	6/11/2019 Mar - Co Equipment Company	\$	174.10	Heavy Equip. Maint.-Mechanical
066741	6/11/2019 MarTeeney Designs	\$	275.00	Web Page Maint.
066742	6/11/2019 Mission Uniform Service	\$	291.20	Uniform Service
066743	6/11/2019 Carla Osborn	\$	239.67	Cafeteria Plan Reimbursement
066744	6/11/2019 Padre Associates, Inc.	\$	1,480.56	Fire Station Asbestos Survey
066745	6/11/2019 Pat's Automotive	\$	59.40	Auto Maint. - Mechanical
066746	6/11/2019 Pathpoint	\$	1,273.86	Airport Maintenance Service
066747	6/11/2019 Quinn Company	\$	1,072.37	Equipment Rental
066748	6/11/2019 Hugh Rafferty	\$	400.00	Directors Fees
066749	6/11/2019 Veroneka Reade	\$	530.00	Cafeteria Plan Reimbursement
066750	6/11/2019 Ready Refresh by Nestle	\$	106.18	Water Delivery
066751	6/11/2019 Safety-Kleen	\$	368.71	Solvent
066752	6/11/2019 San Luis Powerhouse	\$	940.00	Generator Maintenance
066753	6/11/2019 Special Dist. Risk Mgmt. Authority	\$	500.00	Property/Liability Insurance Deductible
066754	6/11/2019 Service Star	\$	11,225.63	Janitorial Service
066755	6/11/2019 S Lombardi & Assoc., Inc.	\$	1,072.50	Airport Advertising
066756	6/11/2019 Santa Maria Times	\$	981.36	Annual Subscription
066757-66	Void			
066759	6/11/2019 Toshiba Financial Services	\$	501.45	Copier Lease
066760	6/11/2019 Tri-Counties Plant Service	\$	275.00	Interior Plants Maint.

Total Checks Written: \$ 347,610.19

Electronic Payments

6/4/2019 Pacific Gas & Electric Company	\$	6,915.70	Terminal/Admin./Main Hangar
6/4/2019 Pacific Gas & Electric Company	\$	7,660.55	Terminal/Admin./Main Hangar

Total Electronic Funds Payments: \$ 14,576.25

Net Dispersed Funds \$ 362,186.44



MEMORANDUM

Santa Maria Public Airport District

DATE: June 14, 2019

TO: Board of Directors

FROM: Veroneka Reade, Manager of Finance and Administration

SUBJECT: Quarterly Investment Report –March 31, 2019

On April 11, 1996, the Board of Directors adopted Resolution 557 establishing an investment policy for the Santa Maria Public Airport District. Paragraph 12 of that resolution requires the District Manager of Finance and Administration to submit a quarterly investment report to the Board of Directors. This report covers the quarter ending March 31, 2019.

California Government Code Section 53646(e) specifies that if all funds of the District are placed in the Local Agency Investment Fund (LAIF), FDIC-insured accounts and/or in a county investment pool, then the quarterly investment report may consist of copies of the latest statements from such institutions.

The Local Agency Investment Fund (LAIF) is a division of the Pooled Money Investment Account of the State of California (PMIA). Statements of the District's LAIF account activity and the Pooled Money Investment Board Report as of March 31, 2019 are attached and made a part of this quarterly investment report to the District's Board of Directors.

California Government Code Section 53646(b)(1) specifies that the quarterly report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. The report shall also include a current market value as of the date of the report and shall include the source of this same valuation. This information is included in the local agency report as of March 31, 2019. Statements of the District's Pacific Premier account activity and the Local Agency report as of March 31, 2019 are attached and made a part of this quarterly investment report to the District's Board of Directors.

I certify with the filing of this quarterly investment report for the periods ending March 31, 2019 that (1) all investment actions executed during the quarter were made in full compliance with the Investment Policy and, (2) the portfolio is in compliance with the investment policy and (3) the Santa Maria Public Airport District will meet its expenditure obligations for the next six months.

SANTA MARIA PUBLIC AIRPORT DISTRICT
STATEMENT OF LAIF ACCOUNT ACTIVITIES
For Quarter Ending March 31, 2019

LAIF	
BEGINNING BALANCE LAIF (12/31/18)	<u>\$46,214.57</u>
TRANSFERS OF EXCESS FUNDS TO LAIF	<u>\$3,400,000.00</u>
PREVIOUS QUARTER'S INTEREST POSTED LAIF	279.27
TRANSFERS OUT FOR DISTRICT NEEDS LAIF	
ENDING BALANCE LAIF	\$3,446,493.84

INTEREST EARNED DURING CURRENT QUARTER LAIF	\$	4,323.96
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Note: LAIF was earning 2.55% as of 03/31/19

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

June 07, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
3217 TERMINAL DRIVE
SANTA MARIA, CA 93455

[PMIA Average Monthly Yields](#)

Account Number:
80-42-001

[Tran Type Definitions](#)

January 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/15/2019	1/14/2019	QRD	1594168	SYSTEM	279.27

Account Summary

Total Deposit:	279.27	Beginning Balance:	46,214.57
Total Withdrawal:	0.00	Ending Balance:	46,493.84

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

June 07, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
3217 TERMINAL DRIVE
SANTA MARIA, CA 93455

PMIA Average Monthly Yields

Account Number:
80-42-001

[Tran Type Definitions](#)

February 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	46,493.84
Total Withdrawal:	0.00	Ending Balance:	46,493.84

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

June 07, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
3217 TERMINAL DRIVE
SANTA MARIA, CA 93455

[PMIA Average Monthly Yields](#)

Account Number:
80-42-001

[Tran Type Definitions](#)

March 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/15/2019	3/14/2019	RD	1600111	VERONEKA READE	3,400,000.00

Account Summary

Total Deposit:	3,400,000.00	Beginning Balance:	46,493.84
Total Withdrawal:	0.00	Ending Balance:	3,446,493.84

SANTA MARIA PUBLIC AIRPORT DISTRICT

STATEMENT OF PACIFIC PREMIER INVESTMENT ACCOUNT ACTIVITIES

For Quarter Ending March 31, 2019

Pacific Premeier	
BEGINNING BALANCE HERITAGE OAKS (12/31/17)	\$2,913,701.89
TRANSFERS OF EXCESS FUNDS TO LAIF	(\$3,400,000.00)
WIRE TRANSFER FEES	(\$25.00)
CURRENT QUARTER'S INTEREST POSTED	\$25,005.98
DEPOSITS	\$3,600,000.00
ENDING BALANCE HERITAGE OAKS	\$3,138,682.87

Note: Pacific Premier was earning 2.55% as of 03/31/19



SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
Branch 041
Account Number: 4108097100
Date 01/31/19

EM

BUSINESS MONEY MARKET

Acct 4108097100

Summary of Activity Since Your Last Statement

Beginning Balance	1/01/19	2,913,701.89
Deposits / Misc Credits	2	7,348.53
Withdrawals / Misc Debits	0	.00
** Ending Balance	1/31/19	2,921,050.42**
Service Charge		.00
Interest Paid Thru 1/31/19		5,723.62
Interest Paid Year To Date		7,348.53
Average Collected Balance		2,914,592
Average Rate / Cycle Days		2.31000 / 31

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
1/15	1,624.91		CREDIT YTD INTEREST
1/31	5,723.62		INTEREST EARNED

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
1/15	2,915,326.80	1/31	2,921,050.42		

ENTER NAME AND CORRECT ADDRESS BELOW, THEN CUT OFF THIS PORTION AND RETURN IT TO THE ADDRESS BELOW		CHECKING ACCOUNT NUMBER:	
		IF YOU HAVE ANY OTHER ACCOUNTS, PLEASE LIST BELOW.	
NAME		TYPE	ACCOUNT NUMBER
NAME			
STREET ADDRESS			
CITY			
STATE	ZIP CODE		
TAX PAYER'S IDENTIFYING NO.	PHONE		
SIGNATURE			

CHECK / ATM / DEBIT WITHDRAWALS OUTSTANDING						CHECKBOOK RECONCILIATION			
DATE OR #	AMOUNT	DATE OR #	AMOUNT	DATE OR #	AMOUNT				
TOTAL \$									

BALANCE should agree with your checkbook balance after deducting charges and adding credits not shown in your checkbook but included on this statement as follows:
Interest - Add | Check Printing* - Deduct \ Automatic Payment - Deduct \ Transfer - Add | Service Charge - Deduct

As a consumer, additional information on a summary of your rights and responsibilities is included in the Deposit Account Agreement and Information Brochure. To report a lost or stolen card during non-business hours, call (866) 353-1476.

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SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
Branch 041
Account Number: 4108097100
Date 02/28/19

EM

BUSINESS MONEY MARKET

Acct 4108097100

Summary of Activity Since Your Last Statement

Beginning Balance	2/01/19	2,921,050.42
Deposits / Misc Credits	2	3,606,775.84
Withdrawals / Misc Debits	0	.00
** Ending Balance	2/28/19	6,527,826.26**
Service Charge		.00
Interest Paid Thru 2/28/19		6,775.84
Interest Paid Year To Date		14,124.37
Average Collected Balance		3,821,050
Average Rate / Cycle Days		2.31000 / 28

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
2/22	3,600,000.00		TRANSFER CREDIT
2/28	6,775.84		From Checking *1229
			INTEREST EARNED

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
2/22	6,521,050.42	2/28	6,527,826.26		



SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
 Branch 041
 Account Number: 4108097100
 Date 03/29/19

EM

Need a business loan?
 Get up to \$250,000 with our QuickScore business loan options.
 Upon credit approval. Other important conditions apply.
 Terms and conditions are subject to change.

BUSINESS MONEY MARKET**Acct 4108097100****Summary of Activity Since Your Last Statement**

Beginning Balance	3/01/19	6,527,826.26
Deposits / Misc Credits	2	10,881.61
Withdrawals / Misc Debits	2	3,400,025.00
** Ending Balance	3/31/19	3,138,682.87**
Service Charge		.00
Interest Paid Thru 3/31/19		9,875.78
Interest Paid Year To Date		25,005.98
Average Collected Balance		4,554,299
Average Rate / Cycle Days		2.55000 / 31

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
3/11	1,005.83		CREDIT YTD INTEREST
3/29	9,875.78		INTEREST EARNED

Withdrawals and Debits

Date	Deposits	Withdrawals	Activity Description
3/14		3,400,000.00	BENE:CREDIT STATE OF CALIFORNIA TRN:P201903140047778
3/14		25.00	OUTGOING WIRE FEE-P201903140047778

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
3/11	6,528,832.09	3/14	3,128,807.09	3/29	3,138,682.87



State of California

Pooled Money Investment Account

Market Valuation

3/31/2019

		Carrying Cost Plus			Accrued Interest
Description		Accrued Interest	Purch.	Amortized Cost	
1*	United States Treasury:				
	Bills	\$ 18,268,335,075.90	\$ 18,421,895,178.00	\$ 18,429,875,500.00	NA
	Notes	\$ 25,650,500,423.41	\$ 25,640,314,068.85	\$ 25,649,099,000.00	\$ 105,035,099.00
1*	Federal Agency:				
	SBA	\$ 685,086,049.69	\$ 685,086,049.69	\$ 677,449,271.41	\$ 1,575,687.26
	MBS-REMICs	\$ 23,500,952.01	\$ 23,500,952.01	\$ 24,042,372.38	\$ 109,926.43
	Debentures	\$ 2,242,313,243.48	\$ 2,242,253,139.31	\$ 2,242,445,400.00	\$ 9,207,506.20
	Debentures FR	\$ -	\$ -	\$ -	\$ -
	Debentures CL	\$ 100,000,000.00	\$ 100,000,000.00	\$ 99,959,500.00	\$ -
	Discount Notes	\$ 14,136,370,014.06	\$ 14,231,832,485.95	\$ 14,231,987,000.00	NA
1*	Supranational Debentures	\$ 589,090,035.96	\$ 588,653,024.84	\$ 590,131,500.00	\$ 2,789,751.00
1*	Supranational Debentures FR	\$ 150,282,570.93	\$ 150,282,570.93	\$ 150,509,181.43	\$ 877,279.89
2*	CDs and YCDs FR	\$ 575,000,000.00	\$ 575,000,000.00	\$ 575,048,000.00	\$ 1,833,890.28
2*	Bank Notes	\$ 800,000,000.00	\$ 800,000,000.00	\$ 800,000,661.88	\$ 8,034,486.09
2*	CDs and YCDs	\$ 12,700,000,000.00	\$ 12,700,000,000.00	\$ 12,700,302,887.53	\$ 77,895,083.28
2*	Commercial Paper	\$ 5,404,503,333.42	\$ 5,427,427,944.55	\$ 5,428,198,069.44	NA
1*	Corporate:				
	Bonds FR	\$ -	\$ -	\$ -	\$ -
	Bonds	\$ -	\$ -	\$ -	\$ -
1*	Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1*	Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
	Time Deposits	\$ 4,712,240,000.00	\$ 4,712,240,000.00	\$ 4,712,240,000.00	NA
	AB 55 & GF Loans	\$ 823,411,000.00	\$ 823,411,000.00	\$ 823,411,000.00	NA
TOTAL		\$ 86,860,632,698.86	\$ 87,121,896,414.13	\$ 87,134,699,344.07	\$ 207,358,709.43

Fair Value Including Accrued Interest

\$ 87,342,058,053.50

* Governmental Accounting Standards Board (GASB) Statement #72

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (**1.000146954**).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,002,939.08 or \$20,000,000.00 x 1.000146954.

RESOLUTION 876

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT ADOPTING THE APPROPRIATIONS
SUBJECT TO LIMITATION FOR FISCAL YEAR
2019-2020 UNDER CALIFORNIA CONSTITUTION
ARTICLE XIII B (AS AMENDED) AND
IMPLEMENTING STATUTES**

WHEREAS, Article XIII B of the California Constitution provides that beginning with the 1980-1981 fiscal year, an appropriations limit for each local government shall be established for each fiscal year.

WHEREAS, Government Code Section 7910 provides that each year the governing body of each local jurisdiction shall by resolution establish its appropriations limit for the following fiscal year pursuant to Article XIII B of the California Constitution at a regularly scheduled meeting or noticed special meeting; that 15 days prior to such meeting documentation used in the determination of the appropriations limit shall be available to the public.

WHEREAS, Article XIII B of the California Constitution was amended by Proposition 111 to change the price and population factors that may be used by a local jurisdiction in setting the appropriations limit.

THEREFORE, BE IT RESOLVED, that the sum of \$6,733,734.00 is the appropriations limit of the Santa Maria Public Airport District subject to California Constitution Article XIII B for fiscal year 2019-2020.

IT IS FURTHER RESOLVED, that the calculations establishing the foregoing appropriations subject to the limitations imposed by Article XIII B of the California Constitution (as amended), which were made available to the public at least 15 days prior to the date of the meeting at which this resolution was adopted, are as follows:

Factor for percentage change in California

Capita personal income pursuant to

Government Code Section 79011.0385

Factor for annual population percentage

Change for County of Santa Barbara

Determined by Department of Finance,

State of California, pursuant to Revenue

and Taxation Code Section 2228(a)(iii) 1.0047

Ratio change in above factors: $1.0385 \times 1.0047 = 1.0434$
Appropriations limits of District
For Fiscal year 2019-2020

2019-2020 appropriations limits of District as
established by Resolution 876 6,432,530

Addition to District's appropriation limit
For property tax administration fee
Imposed by Senate Bill 2557 $\frac{21,233}{6,453,763}$

Multiplied by above factors change ratio $\frac{x 1.0434}{}$

2019 – 2020 appropriations limit \$6,733,734

PASSED AND ADOPTED at the Regular, meeting of the Board of Directors
of the Santa Maria Public Airport District held May 23, 2019 on Motion by
Director _____, Seconded by Director _____ and carried by the
following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Hugh Rafferty, President

Carl Engel, Secretary

RESOLUTION NO. 878
ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
(NonPERS Elected Officials)

- WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) Santa Maria Public Airport District is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and
- WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- WHEREAS, (5) Santa Maria Public Airport District desires to obtain for its employees and annuitants who are members of the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it
- RESOLVED, (a) Santa Maria Public Airport District elects to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the PEMHCA Minimum per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (c) Santa Maria Public Airport District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (d) That the participation of the employees and annuitants of Santa Maria Public Airport District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Santa Maria Public Airport District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

- RESOLVED, (e) That the executive body appoint and direct, and it does hereby appoint and direct, Manager of Finance & Administration to file with the Board a verified copy of this resolution, and to perform on behalf of Santa Maria Public Airport District all functions required of it under the Act; and be it further
- RESOLVED, (f) That coverage under the Act be effective on July 1, 2019.

Adopted at a regular meeting of the Board of Directors of the Santa Maria Public Airport District at Santa Maria Public Airport, this 13th day of June, 2019.

Signed: _____
Hugh Rafferty, President

Attest: _____
Carl Engel, Secretary

INSTRUCTIONS

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency for the purpose of electing to be subject to Public Employees' Medical and Hospital Care Act (PEMHCA) and to fix the monthly employer health contribution for employees and annuitants in accordance with Government Code Section 22892.

If the resolution is filed **on or before the tenth day of any month, it will be effective on the first of the following month** (date stamped as received by CalPERS; See address below).

WHEREAS, (2) should be completed with full name of the contracting agency.

WHEREAS, (5) should be completed with full name of the contracting agency and recognized employee organization.

RESOLVED, (a) should be completed with full name of the contracting agency.

RESOLVED, (b) should be completed to specify medical groups and the amount of the employer contribution toward the cost of enrollment for active employees and annuitants. The amount specified must be an amount equal to or greater than that prescribed by Section 22892(b).

Commencing January 1, 2009, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar.

RESOLVED, (c) should be completed with full name of the contracting agency.

RESOLVED, (d) should be completed with full name of the contracting agency.

RESOLVED, (e) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.

RESOLVED, (e) should be completed with full name of the contracting agency.

RESOLVED, (f) should be completed with the date the coverage is to become effective.

For resolution processing, deliver to the following:

Overnight Mail Service

California Public Employees' Retirement System
Health Resolution & Compliance Services, HAMD
400 Q Street
Sacramento, CA 95811

Regular Mail

California Public Employees' Retirement System
Health Resolution & Compliance Services, HAMD
PO BOX 942714
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

SERVICE AGREEMENT

(Air Service Consulting Services)

By this Agreement, dated June 13, 2019, between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and MEAD & HUNT, Inc., a Wisconsin corporation, (herein after called "Consultant"), District and Consultant agree as follows:

1. SCOPE OF WORK

District hires Consultant to perform, and Consultant agrees to perform, professional air service consulting services as described in Exhibit "A", a letter proposal dated May 20, 2019, from Consultant to District's General Manager, attached and incorporated by this reference.

2. COMPENSATION

District shall compensate Consultant for all services to be provided by Consultant under this Agreement, as outlined in the table on pages 4-5 of Exhibit "A" attached and incorporated by this reference. Consultant shall be compensated for the work described under the Scope of Services as set forth upon Board approval for said services, not to exceed a lump sum amount of \$49,885.00. Consultant shall bill District monthly for services rendered, based upon progress and hourly time expended on each phase or element of the project. Payment shall be due and payable 30 days following date of receipt of submitted bill.

Reimbursable Expenses as outlined in Exhibit "A" pages 4-5 are limited to air transportation, lodging, meals, printing, shipping, and expenses associated with presentations and meetings not to exceed \$3,550.00. All expenses will be reimbursed at cost and subject to review by the General Manager. There will be no reimbursement for office overhead, including but not limited to telephone, facsimile, postage, in-house copying, insurance, etc. which are included in the consulting fees.

3. TIME OF PERFORMANCE

Consultant shall commence performance of the services hereunder upon receipt of written authorization to proceed and shall complete the services beginning July 1, 2019 to June 30, 2020.

4. MATERIALS AND DOCUMENTS

Except as otherwise specified in this agreement, Consultant will bear the cost and expense of all materials, supplies, tests and data used or needed by Consultant in the performance of its services and the work products to be delivered to District. District shall be the owner of all drawings, maps, mylars, reproducibles, plans, specifications, test reports, and other documents, data and work products produced or resulting from the services of Consultant. District will make available all existing plans, maps, data and information it has that may be needed by Consultant to perform its services. Consultant may retain copies of the original documents for its files.

5. ASSIGNMENT

This Agreement or any interest herein shall not be assigned by either party hereto.

6. CONSULTANT INDEPENDENT CONTRACTOR

The parties intend that Consultant shall be an independent contractor in performing the services provided by this Agreement. District is interested only in the results to be achieved, and the conduct and control of the work will lie solely with Consultant. Consultant is not to be considered an agent or employee

of District for any purpose, and the officers, employees and agents of Consultant are not entitled to any of the benefits that District provides for its employees, including worker's compensation insurance. It is understood that Consultant is free to contract for similar services to be provided to others while under contract with the District, provided there is no actual or perceived conflict of interest. District's General Manager shall have the right, in his sole discretion, to determine if a conflict of interest exists.

7. CONSULTANT'S RECORDS

Full and complete records of Consultant's services and expenses and records between District and Consultant shall be kept and maintained by Consultant and shall be retained by Consultant for seven (7) years after District makes final payment to Consultant hereunder and all pending matters regarding Consultant's services and the Project is closed. The District, the U.S. Department of Transportation, the FAA, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books of account, documents, papers, and records of Consultant which are directly pertinent to Consultant's work for the purpose of making audits, examinations, excerpts and transcriptions.

8. TERMINATION

This Agreement may be terminated by District upon failure by Consultant to satisfactorily perform the terms and conditions of this Agreement within fifteen (15) days of receipt of written notice from the District specifying the manner in which Consultant has failed to satisfactorily perform. In the event of such termination, Consultant shall not be entitled to further compensation from District. Either party may terminate this Agreement for any reason on thirty (30) days written notice to the other.

9. SUSPENSION OR ABANDONMENT OF PROJECT

District may at any time suspend or abandon the Project or any part thereof. In the event District should determine to suspend or abandon all or any part of the Project, it shall give written notice thereof to Consultant, who shall immediately terminate all work upon that portion of the Project suspended or abandoned in the notice. Within thirty (30) days of the date of notice of suspension or abandonment, District shall pay to Consultant, as full and final settlement, compensation for all of Consultant's services performed and costs and expenses incurred prior to receipt of notice of suspension or abandonment in a prorated amount equal to the proportion that the Consultant's services rendered to the date of receipt of such notice bears to the total compensation the Consultant would have received had the Project been completed.

10. INDEMNIFICATION

Consultant agrees to defend, indemnify and hold harmless District, its directors, officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expenses and causes of action of any nature or character which District may incur, sustain or be subject to, including attorney's fees, rising out of or in any way connected with the services or work to be performed by Consultant, or arising from the negligence, act or omission of Consultant, its officers, agents and employees, excepting only liability or loss attributable to the sole active negligence of District or its willful misconduct.

11. INSURANCE

Consultant shall at Consultant's expense take out and maintain during the life of this Agreement the following types and amounts of insurance insuring Consultant and Consultant's officers and employees:

Automobile Liability and Comprehensive General Liability: Automobile liability insurance and comprehensive general liability insurance including public liability, and contractual liability coverage, each providing bodily injury, death and property damage liability limits of not less than \$1,000,000 for each accident or occurrence.

Before or concurrently with the execution of this Agreement, Consultant shall file with the District a certificate or certificates of insurance, issued by the insurance carrier, covering the specified insurance. Each such certificate and policy shall bear an endorsement precluding the cancellation, or reduction in coverage, of any policy before the expiration of thirty (30) days after the District shall have received notification by registered or certified mail from the insurance carrier. District shall be named as an additional insured on each policy required herein without offset to any insurance policies of District. Each policy shall be on an "occurrence" basis and not a "claims made" basis.

12. DISTRICT'S DESIGNATED REPRESENTATIVE

District designates its General Manager, as its "Designated Representative". The Designated Representative is authorized to review, critique, and approve the services of Consultant.

13. EXTRA SERVICES

There will be no payment of extra services by Consultant unless it is expressly authorized in writing by General Manager before the services are performed and the amount District shall pay Consultant for said extra services has been mutually agreed upon in writing.

14. COVENANT AGAINST DISCRIMINATION

Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation or, any person or group of people on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

15. INTERPRETATION

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either part by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

16. INTEGRATION; AMENDMENT

There are no oral agreements between the parties affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

17. SEVERABILITY

In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

18. ATTORNEYS' FEES

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, and costs whether or not the matter proceeds to judgment.

19. NOTICES

Notices pursuant to this Agreement shall be given by United States mail, postage prepaid, addressed to the parties hereto as follows:

District: Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

Consultant: Trina Froehlich
Mead & Hunt, Inc.
476 Salty Way
Eugene, OR 97404

20. CERTIFICATE OF CONSULTANT

Consultant agrees to complete, execute and deliver to District upon execution of this Agreement a certificate in the form and content of Exhibit "B" attached hereto and incorporated herein. Consultant agrees to comply with the conditions and provisions of the certificate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be fully executed.

Dated: June 13, 2019

DISTRICT:

Approved as to content for

SANTA MARIA PUBLIC AIRPORT
DISTRICT

District:

General Manager

Hugh Rafferty, President

Approved as to form for District

Carl Engel, Secretary

District Counsel

CONSULTANT:

MEAD & HUNT, INC.

Joseph Pickering

EXHIBIT “A”

May 20, 2019, LETTER PROPOSAL



2440 Deming Way
Middleton, Wisconsin 53562
608-273-6380
meadhunt.com

May 20, 2019

Christ Hastert, CM
General Manager
Santa Maria Public Airport
3217 Terminal Drive
Santa Maria, CA 93455

Subject: Proposal and Agreement for Air Service Consulting Services

Dear Chris:

Based on our discussions, it is my understanding that Santa Maria Public Airport (SMX) is interested in a proposal for air service consulting services for the July 1, 2019, to June 30, 2020, fiscal year. Mead & Hunt is pleased to submit this proposal for your review, which includes a scope of services, compensation and authorization.

Scope of Services

For the upcoming fiscal year, we recommend SMX continue to pursue hub service. Pursuing new hub service includes meeting with prospective carriers whenever possible, including headquarters offices when accepted, and industry conferences such as the ACI-NA JumpStart Air Service Development conference. In addition, we recommend maintaining and expanding on the service and relationship with Allegiant Air. After acceptance of this proposal, Mead & Hunt shall complete the following tasks:

1. Airline Headquarters Meetings

Airline headquarters meetings are recommended as frequently as possible based on the airline's willingness to accept meetings. Top targets for headquarters meetings include Alaska Airlines, American Airlines, Delta Air Lines and United Airlines. Other airlines will also be considered as the opportunity arises. Mead & Hunt will provide the analysis, preparation, presentation and consulting services associated with the airline meetings. It is anticipated that SMX representatives and Mead & Hunt staff will meet with the airlines. The existing SMX airline presentation format will be updated for the meetings. Updates will include market performance information, route forecasts and the incentive program.

Mead & Hunt will provide the following professional services and data as necessary in building SMX's business case for air service improvements:

- Analysis of related historical traffic destinations and volume

- Analysis of existing service, air carrier route systems, schedules, and capacity with regard to the proposed service improvements
- Historical performance of SMX's air carriers: load factors, average ticket price, yield
- Air carrier origin-destination traffic market share
- Pro forma analysis
- Assist as necessary with structuring the community component of the presentation and related air service support package/proposal
- Pre-meeting discussions with the airline and/or community
- Assist with planning and scheduling the airline meeting
- Preparation and presentation of related materials: PowerPoint presentation

Mead & Hunt will work to secure a meeting date with the airlines after notice to proceed from SMX. Once meeting dates are secured, Mead & Hunt will complete the presentation. The schedule is dependent on SMX's timely response to Mead & Hunt requests for airport and community provided information. Likewise, airline management availability and the ever-changing airline environment may impact the schedule.

2. Air Service Pro Formas

In preparation of airline headquarters meetings, route forecasts should be updated/completed. In preparation of headquarters meetings, route forecasts are recommended to be completed on an as needed basis. Mead & Hunt will prepare the financial analysis/projections and related performance information on each proposed service. Mead & Hunt will provide the following professional services and data in preparation of SMX's pro forma analyses:

- Development of a service proposal that is integrated into the carrier's existing service (e.g. schedule, aircraft type, route)
- Detailed analysis and forecast of passengers, load factors, overall average ticket price, average ticket price by market, revenue, cost, and profit margin associated with the proposed service improvements
- Analysis of passenger stimulation, retention, and diversion
- Airline and aircraft specific cost projections (first segment and beyond destinations)

The output of this effort will be included in the presentations to the airlines. Mead & Hunt will complete the pro forma analyses prior to headquarters meetings and/or industry conference meetings as determined necessary.

3. Airline Industry Conferences

We recommend attending Mead & Hunt's Air Service Development Conference (tentative March 2020) and ACI-NA JumpStart Air Service Development Program (June 2020). While some duplication may occur in the airline meetings, it provides an additional opportunity to present SMX's business case. For carriers like American Airlines, SMX may only get one opportunity at these conferences to meet with the

carrier. In addition to the above, Mead & Hunt recommends attending Allegiant's annual airport conference.

Mead & Hunt will prepare custom presentations for each meeting highlighting SMX and the community for use at the airline meetings and assist with airline meetings. Mead & Hunt will complete the presentations the week prior to the date of the conference. Keep in mind schedules change frequently at these conferences. Mead & Hunt will do our best to attend all of the airline meetings considered a top priority for SMX.

4. True Market Estimate

The most recent true market estimate for the SMX catchment area was completed for calendar year 2017. We recommend updating the true market estimate at least every two years to reflect the latest market conditions. The true market estimate will quantify by destination the number of air travelers in the market, including those air travelers that drive to an airport other than SMX to originate the air travel portion of their trip.

Mead & Hunt will obtain ARC data for the SMX catchment area. ARC data will represent a statistically valid sample of airline tickets from within the airport catchment area. ARC data collected will include, but is not limited to, the originating airport, destination and airline.

The output will be PowerPoint summary slides with the top 25 domestic true markets, top 15 international true markets and the top 50 aggregated true markets including identification of passenger retention by destination and diverted origin and destination passengers. Mead & Hunt will provide SMX a draft of the true market estimate within 60 days of the receipt of calendar year 2019 data, anticipated in April 2020.

5. Community Meeting

Mead & Hunt will prepare and make a PowerPoint presentation at a community meeting to be set by SMX. Mead & Hunt anticipates that, in general, the presentation to the community will cover: an overview of the airline industry, airline performance in the SMX market and air service opportunities/next steps. Mead & Hunt will prepare and present a PowerPoint presentation. The date of the meeting will be determined based on a mutually agreed upon date.

6. Additional Services

Additional services may be requested by SMX that are not described above. Additional services may include but are not limited to: the preparation of ad hoc reports; communication with airlines; coordination with SMX; community meetings; and other elements as identified on an as needed basis.

Compensation

Mead & Hunt will be compensated for the work described under Scope of Services as set forth below:

1. Airline Headquarters Meetings

Mead & Hunt will be compensated on a lump sum basis for the airline presentation preparation and meeting. Mead & Hunt will invoice for related expenses (e.g. air transportation, lodging, meals, printing, miscellaneous) at cost.

Airline presentation preparation/meeting	\$5,920
Expenses (estimated)	\$900
Subtotal (lump sum plus expense per meeting).....	\$6,820
Subtotal FY 2020 (2 airline headquarters meetings)	\$13,640

2. Air Service Pro Formas

Mead & Hunt will be compensated on a lump sum basis.

Air service pro forma – #1	\$4,200
Air service pro forma – #2	\$2,100
Subtotal FY 2020 (2 hubs)	\$6,300

3. Airline Industry Conferences

Mead & Hunt will be compensated on a lump sum basis for the presentation preparation and meetings. Mead & Hunt will invoice for related expenses (e.g. printing/binding, shipping) at cost.

a) Mead & Hunt Air Service Development Conference 2020:

Presentation preparation	\$4,150
Expenses (estimated)	\$325
Subtotal.....	\$4,475

b) Allegiant Airports Conference 2019:

Presentation preparation	\$1,950
Expenses (estimated)	\$200
Subtotal.....	\$2,150

c) ACI-NA JumpStart Air Service Development Program 2020:

Presentation preparation/airline meetings	\$4,955
Expenses (estimated)	\$325
Subtotal.....	\$5,280

Subtotal FY 2020 Airline Industry Conferences	\$11,905
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4. True Market Estimate

Mead & Hunt will be compensated on a lump sum basis and will invoice based on the percent of project completed.

True Market Estimate \$9,995

5. Community Meeting

Mead & Hunt will be compensated on a lump sum basis for the presentation preparation and meeting.

Mead & Hunt will invoice for related expenses (e.g. air transportation, lodging, meals, printing, miscellaneous) at cost.

Meeting preparation/meeting \$5,775

Expenses (estimated) \$900

Subtotal \$6,675

6. Additional Services

Additional services provided by Mead & Hunt not described above or in other supporting documentation will be accommodated with a separate task order or billed in accordance with the Standard Billing Rate Schedule, attached hereto and incorporated herein by reference.

Additional services (24 hours) \$4,920

The following are Mead & Hunt's Standard Billing Rates for services billed on a time-and-materials basis. Standard billing rates are subject to annual adjustments in January of each year. Mead & Hunt reserves the right to change billing rates based on increases in unforeseen operational costs.

Standard Billing Rates	
Clerical	\$75.00 / hour
Accounting/Administrative Assistant	\$95.00 / hour
Technical Editor	\$107.00 / hour
Senior Editor	\$173.00 / hour
Principal	\$195.00 / hour
Project Manager	\$205.00 / hour
Vice President	\$225.00 / hour
Expenses	
Company or Personal Car Mileage	IRS Rate
Air and Surface Transportation	Cost
Lodging and Subsistence	Cost
Out-of-Pocket Direct Job Expenses	Cost

Total FY 2020 fees are \$49,885. Expenses, to be billed at cost, are estimated at an additional \$3,550.

Chris Hastert, CM

May 20, 2019

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Authorization

The Scope of Services and Compensation stated in this proposal are valid for a period of thirty (30) days from date of submission. If acceptance of this proposal is not received during this period, this proposal may be withdrawn or modified by Mead & Hunt.

Please send all correspondence to my attention at the following address:

Mead & Hunt, Inc.
476 Salty Way
Eugene, OR 97404
541-521-5962

We appreciate the opportunity to submit this proposal to SMX.

Respectfully submitted,
MEAD & HUNT, Inc.

A handwritten signature in dark ink, reading "Trina Froehlich". The signature is written in a cursive, flowing style.

Trina Froehlich
Project Manager

EXHIBIT "B"

CERTIFICATION OF CONSULTANT

I hereby certify that I am the owner or principal executive officer and duly authorized representative of the firm of Mead & Hunt, Inc., a Wisconsin corporation whose address is 2440 Deming Way, Middleton, WI 53562, and that neither I nor the firm I represent has:

- A. Employed or retained for commission, percentage, brokerage contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above firm) to solicit or secure this contract;
- B. Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract; or
- C. Paid or agreed to pay to any firm, organization, or person (other than a bona fide employee working solely for me or the above firm) any fee, contribution, donation, or consideration of any kind for or in connection with procuring or carrying out the contract, except as herein expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Federal Aviation Administration of the United States Department of Transportation in connection with this contract involving participation of federal funds and is subject to applicable state and federal laws, both criminal and civil.

Date

Joseph Pickering

REVOCABLE LICENSE AGREEMENT
(Display in Airline Terminal)

This Revocable License Agreement ("License") is made and entered into this 13th day of June 2019, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (hereinafter "District") and Valley Art Gallery, a California Non-Profit Corporation (hereinafter referred to as "Licensee"); jointly referred to hereinafter as the "Parties".

RECITALS

- A. District owns and operates the Santa Maria Public Airport (hereinafter "Airport") located in the City of Santa Maria, County of Santa Barbara, State of California. The Airport Terminal Building at the Airport has Display Space available.
- B. Licensee desires to secure from District a non-exclusive, non-transferable and revocable license to use Display Space in the Airline Terminal Building at the Airport to display artwork during term of this agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, covenants hereinafter contained to be kept and performed by the Parties hereto, the Parties agree as follows:

1. License. District hereby gives Licensee, under the conditions set forth herein, a non-exclusive, non-transferable and revocable license to place approximately 45 pieces of artwork by Licensee in Display Spaces in the Terminal Building, at 3249 Terminal Drive, Santa Maria, CA 93455, at the location shown on the diagram marked Exhibit "A", attached and incorporated by this reference (the "Premises"). District reserves the right to amend the space available upon 30 days written notice to Licensee. District reserves the right to install, maintain or license other displays in the Terminal Building.
2. Term/Termination of License. The term of this License shall be one year commencing July 1, 2019 and expiring on June 30, 2020.
3. License Fees. Not Applicable
4. Permitted Use of Display. Subject to the terms and conditions set forth, Licensee may use the Display Space only as described in Paragraph 1. Specific artwork is subject to review and approval of District's General Manager and shall be tasteful and sensitive to the primary nature of the space as a passenger terminal. The Display shall not contain any items or materials which advertise, promote or comment on any person, business, service, entity, cause, belief or action.
5. Utilities and Building Services. District will provide adequate light, heat, water, janitorial service and air conditioning for the public spaces in the Terminal Building.
6. Taxes, Rents. Licensee shall pay, before delinquency, any and all taxes, assessments, fees or charges, including possessory interest taxes which may be imposed, levied or assessed upon any leasehold or possessory interests of

Licensee, and personal property, improvements or fixtures owned, controlled or installed by Licensee and used or located on the Airport. Licensee shall also secure and maintain in force during the term of this License all licenses and permits necessary or required by law for the conduct of Licensee's business or operations.

7. Use and Condition of Premises. Licensee may use the Display Space only for the permitted uses herein. Licensee represents that it has inspected the Display Space and accepts the condition and location of the Display and assumes all risks incidental to use thereof.

8. Parking. While setting up or changing the contents of the Display, vehicles of Licensee and Licensee's employees and invitees shall be parked only in areas designated by District.

9. Licensee's Agreements. Licensee agrees to do all of the following:

- a. Comply with the rules, regulations and directives of District related to use of the Display, the Airport and its facilities.
- b. Comply with all laws, regulations, ordinances, and orders of federal, state and local governments as they relate to Licensee's use of the Display, the Airport and Airport facilities.
- c. Deliver possession of the Display Space to District on termination of this License in at least as good condition as it is at the inception of this License, ordinary wear and tear and damage by fire or act of God excepted, and free of any personal property.
- d. Maintain the Display Space in a clean, orderly and safe manner at all times.

10. Prohibitions. Licensee agrees not to do any of the following:

- a. Install or place any material or items in the Display without the prior written approval of District's General Manager.
- b. Store any property on the Airport in addition to the artwork on display.
- c. Alter, change, or improve the Display without District's prior written consent.
- d. Fasten or erect any sign on the Display Space or the Airport without the written consent of District.
- e. Assign this License or any portion thereof.
- f. Use the Display in any manner not consistent with the International Conference of Building Officials Uniform Building Code and Western Fire Chiefs Association Uniform Fire Code editions currently in use.

- g. Place any toxic, hazardous or explosive materials or items in the Display Space.

11. Notices. Notices required under this License shall be by United States Mail, postage prepaid, addressed as follows:

District: Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455
Attention: General Manager

Licensee: Valley Art Gallery
PO Box 2285
Santa Maria, CA 93455
Attention: Hattie Stoddard

Either party may change its address for notices by written notice to the other party.

12. Indemnification and Release. Licensee shall indemnify, hold harmless and defend (with counsel acceptable to District) District, its officers, directors, employees and representatives from and against any and all claims, demands, liability, loss, damages, costs, attorneys' fees and other expenses resulting or allegedly resulting from Licensee's performance under this License or Licensee's use, misuse or neglect of the Display, the Airport or the Airport facilities. Licensee releases District, its officers, directors, employees and representatives from any and all loss or damage to the Display and their contents, regardless of cause.

13. Security. District shall have no obligation to provide security for the Display.

14. Attorneys' Fees. In the event any action or proceeding is brought by either party against the other under this License, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

15. Assignment. Licensee shall not assign or transfer this License, in whole or in part, in any manner, directly or indirectly, by operation of law or otherwise. Any attempt to assign or transfer this Agreement in violation of the provisions of this paragraph shall immediately terminate the License.

16. Interpretation and Venue. This License shall be governed by and construed in accordance with the laws of the State of California. This License has been entered into and is to be performed in the City of Santa Maria, County of Santa Barbara, State of California. Any legal action relating to this License shall be brought in the court of appropriate jurisdiction in the County of Santa Barbara, State of California.

17. FAA Rider. The provisions of the Federal Aviation rider attached hereto as Exhibit "B" are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this License the day and year first above written.

Dated: June 13, 2019

Approved as to content for District

General Manager

Approved as to form for District:

District Counsel

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Hugh Rafferty, President

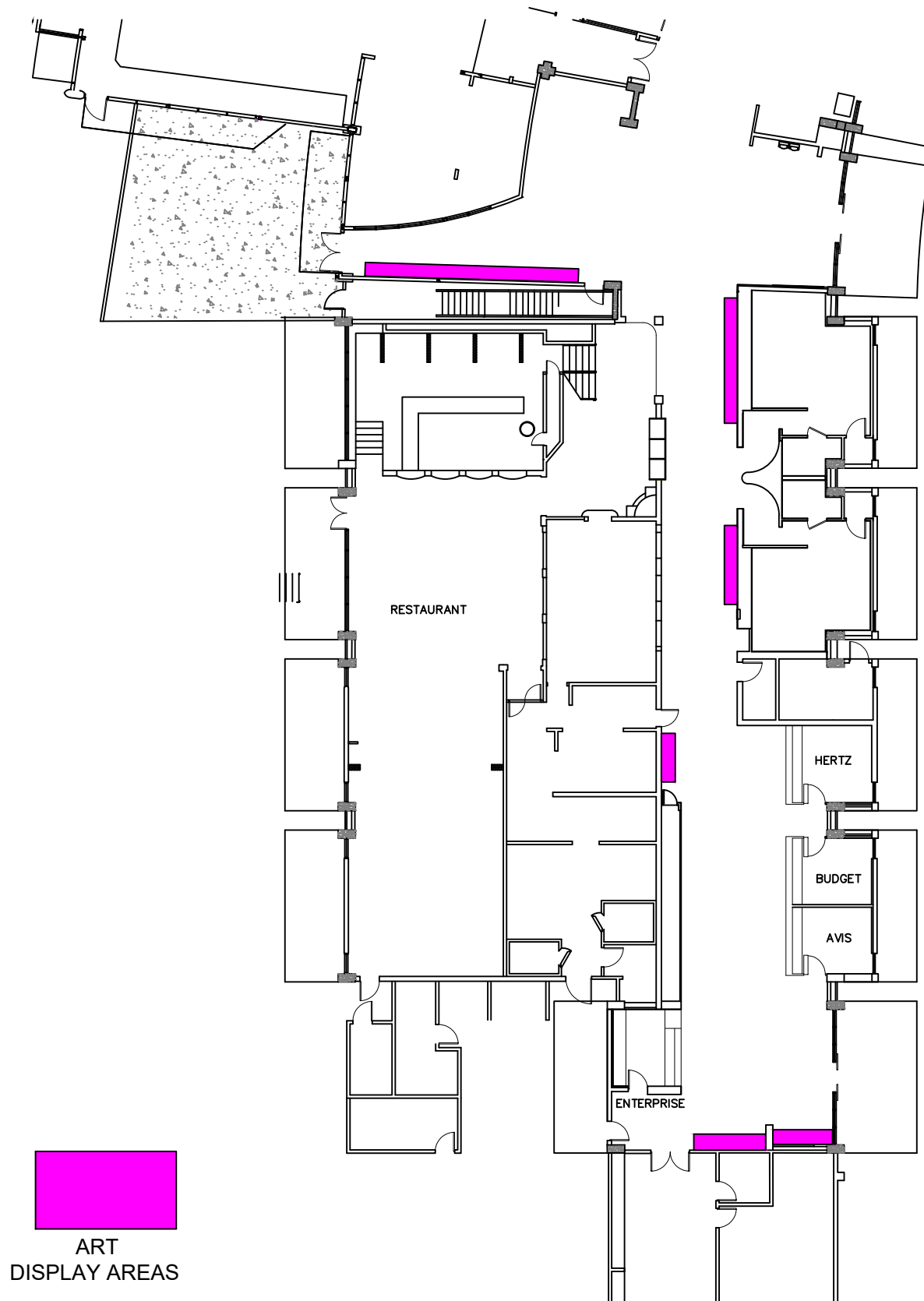
By: _____
Carl Engel, Secretary

PERMITTEE:

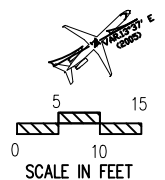
Valley Art Gallery

Hattie Stoddard, President

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ART
DISPLAY AREAS



3217 TERMINAL DR.
SANTA MARIA, CA
93455.
(805) 922-1726

DATE	BY
6/10/19	RH
3/16/13	RH

DRAWN BY:
RH

EXHIBIT "A"
DATE: _____

3249 TERMINAL DR.
VALLEY ART GALLERY

DRAWING
TOWN CENTER GALLERY
1 OF 1

EXHIBIT "B"

RIDER

Rider to the Revocable Permit dated July 1, 2019, herein called "License") between Santa Maria Public Airport District (herein called "District") and Valley Art Gallery (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the leased property described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the leased property and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon and hold the same as if this lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased property.

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered suborganizations provide assurances to the Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. District reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased property, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased property.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

14. Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

15. Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached; District reserves the right to enter upon the leased property and cause the abatement of such interference at the expense of Tenant.

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

LAND LEASE

THIS LEASE, commencing August 1, 2005, is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public district of the State of California (herein called "District") and JOHN McGRAY and RANDY JOKELA (jointly called "Tenant").

1. Leased Premises. District hereby leases to Tenant, and Tenant hires from District, for the term and rents, upon the terms, conditions and covenants, subject to the reserved rights and easements hereinafter set forth, the real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately five (5) acres on Foster Road, east of Pioneer Park, as shown outlined in green on the plot plan market Exhibit "A" attached hereto and made a part hereof, together with access to the premises solely from Foster Road (herein referred to as the "premises").

2. Month-to-Month Tenancy. This Lease shall be on a month-to-month basis commencing August 1, 2005. Either party may terminate this Lease on thirty (30) days' written notice to the other. Notice to one tenant shall be deemed notice to all.

3. Rents:

a. Tenant shall pay to District as rent during the term of this Lease \$87.30 per month, in advance. If this Lease is still in effect, effective July 1, 2006, and every July 1 thereafter, the rent shall be increased upwards but not downwards by the percentage proportion of the change in the Consumer Price Index, All Items 1982-84 = 100, Los Angeles-Anaheim-Riverside, For All Urban Consumers (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function, for the most recent 12-month period available before the rent adjustment.

b. Payment. All rent is payable monthly in advance commencing on the commencement date of the lease term and thereafter on the first day of each calendar month during this lease without prior notice or demand, or without deduction or offset at District's office at 3217 Terminal Drive, Santa Maria, California 93455 or such other address as District may direct Tenant in writing.

c. Late Charge. Tenant acknowledges that late payment by Tenant to District of rent will cause District to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day, if the date the rent installment is due falls on a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any

late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

4. Permitted Uses of Premises. Tenant shall use the leased premises only for grazing by and maintenance of horses and donkeys. Tenant may make improvements suitable for the uses contemplated herein in accordance with the provisions of Paragraph 13, Alterations. All equipment and facilities installed by Tenant shall be installed and used in compliance with local, state, and federal laws, ordinance, regulations, and codes applicable thereto. Tenant shall not use the premises or any portion thereof for any other purposes. Nothing in the lease shall give Tenant any rights which are prior to or greater than any other person for using airport property for agricultural or other uses permitted in this paragraph.

5. Specific Prohibited Uses. Tenant shall not use or permit use of the premises or the Airport, or any portions thereof, for any of the following purposes:

- a. Retail sale of any crop, animal or product on the premises.
- b. Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District.
- c. Store on the premises or elsewhere on the Airport any property, or conduct any activities or operations which are not directly related or incident to the permitted uses in paragraph 4 of this lease. Storage of vehicles, campers, trailers, etc. is specifically prohibited. Outdoor storage is prohibited.
- d. Locate any equipment storage facility, building, shelter or other structure without first obtaining the approval of the City of Santa Maria and the written permission of District. Not more than one such structure shall be approved in any event.
- e. Store hazardous or toxic materials on the premises.
- f. Use or locate on the premises any material which would cause sunlight to be reflected toward an aircraft on initial climb or final approach.
- g. Any use or activity which will generate smoke or attract large concentrations of birds or which may otherwise affect safe air navigation.
- h. Any use or activity which would direct steady or flashing lights at aircraft during initial climb or final approach.
- i. Any use or activity which would interfere with safe air navigation or use of the Airport.
- j. All residential uses are specifically prohibited.

6. Condition of Premises. Tenant shall keep the premises, at Tenant's expense, clean and free from litter, trash and debris and in an orderly and sanitary condition at all times. Tenant shall make a diligent effort to prevent the spread of all noxious weeds, and to control the population of rodents and other vertebrate pests on or from the leased premises and to take reasonable measures to protect the leased

premises and airport from infestation of birds, insects and other pests. Tenant shall comply with all applicable rules and regulations of the Airport and all orders and instructions of District's General Manager in the use of the leased premises or Airport property which the General Manager deems in his sole discretion to be in the best interest of the District, the public or users of the Airport, or for their safety and welfare. If at any time the District adopts rules, regulations or policies relating to the use or storage of any chemical, pesticide or hazardous material (as the same is now defined or subsequently defined by District), Tenant agrees to comply with said rules, regulations or policies at its sole cost and expense.

7. Utilities. Tenant shall pay when due all costs and charges for electricity, telephone, water and other services used by or furnished to Tenant or the premises or any portion thereof. District shall have no responsibility to provide utilities or utility extensions of any kind to the premises, and any such extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 13 herein.

8. Taxes, Licenses. Tenant shall pay before delinquency any and all taxes, (including real property taxes) assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. By entering into this lease a possessory interest subject to taxation, may be created. Tenant shall pay all such taxes. Tenant shall also secure and maintain in force during the term of this lease all licenses and permits necessary or required by law for the conduct of Tenant's business or operations.

9. Assumption of Risks. Tenant represents that Tenant has inspected the Airport and the premises and accepts the condition of the premises and fully assumes all risks incidental to the use of the Airport and the premises. District shall not be liable to Tenant's agents, employees, visitors, guests or invitees from any cause or condition whatsoever. District makes no warranty that the leased premises are zoned for the uses permitted herein.

10. Compliance With Laws. Tenant will abide by and comply with all applicable and valid laws, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning air quality and/or water quality, fire and/or occupational safety, or accessibility which may apply to Tenant's use of the premises at the Airport.

11. Indemnity. Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives, and the Leased Premises ("District") at all times from and against any and all proceedings, liens, actions, penalties, liabilities, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which District may incur, sustain or be subjected to (collectively referred to hereinafter as "Liabilities") arising out of or in any way connected with: the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees; or Tenant's operations on, or use or occupancy of, the premises. Tenant shall indemnify and hold "District" harmless from and against any "Liabilities" including third party claims, environmental requirements and

environmental damages (as defined in Exhibit "B", Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Leased Premises or the improvements thereon or District's property or improvements in the vicinity of the Leased Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively referred to herein as "Release") of any toxic or hazardous materials (defined in Exhibit "B") which occurs in, on or about the Leased Premises as the result of any of Tenant's activities or the activities of any of Tenant's agents, employees, invitees, licensee, guests, successors or assigns, on the Leased Premises or the Airport. Tenant shall notify District immediately of any "Release" of any toxic or hazardous material on the Leased Premises. The foregoing indemnification excludes only liability or loss caused by the sole active negligence of District or its willful misconduct.

12. Insurance. Tenant shall secure and maintain, without cost to District, in full force and effect at all times during the term of this lease, the following types and amounts of insurance:

Comprehensive public liability and property damage insurance, including bodily injury liability, property damage liability, premises liability and contractual liability, with the following minimum liability limits: Combined single limit of liability of at least \$300,000 per person and \$500,000 for each accident or occurrence.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District. Tenant shall provide District with copies of all insurance certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days' written notice to District. The liability limits of all insurance specified above may be increased at the option of District upon giving Tenant at least thirty (30) days' prior written notice of the increased limits. Tenant shall also provide District with an endorsement for the contractual liability insurance.

13. Alterations; Removal of Tenant-Installed Property. Except as expressly permitted herein, Tenant shall make no alterations, additions or improvements on the premises or otherwise at the Airport without District's prior written consent. All alterations, additions or improvements made by Tenant or Tenant's predecessor in interest at the Airport shall be Tenant's property during the Lease and shall, unless District elects otherwise, shall be removed by and at expense of Tenant at expiration or termination of this Lease. Tenant shall, at Tenant's expense, restore District's property to at least its former condition and repair any damage resulting from such removal.

Tenant shall fence the entire premises with at least a four (4) foot tall fence, of such design and construction materials as approved by District's General Manager prior to construction.

14. Airport Facilities. Tenant's automobiles and other vehicles of Tenant and Tenant's employees and business invitees shall be parked, loaded and unloaded only

on the premises. Tenant agrees to observe, obey and abide by all directives, rules and regulations for maintenance and conduct of Tenant's operations at the Airport, which may hereafter be imposed by District's board of directors, Federal Aviation Administration, City of Santa Maria, or any other governmental agency having jurisdiction over the subject matter. District has no obligation to provide security guards, lighting or fencing. Tenant is specifically denied access to the airport operating area, runways and taxiways.

15. Rider Attached. The provisions of the FAA Rider attached hereto as Exhibit "C" are incorporated herein by this reference.

16. Repairs and Maintenance. Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the premises and every part thereof in good and clean order, condition and repair, thereby waiving all rights to make repairs at the expense of District. District and authorized agents of District, County of Santa Barbara and City of Santa Maria, other government entities and utility companies shall have the right to enter the premises at all reasonable times for the purpose of inspecting the same and at any time in case of any emergency.

17. Acceptance; Surrender. By entry hereunder, Tenant accepts the premises as being in good order and condition for its permitted use and agrees on the last day of term hereof or sooner termination to surrender to District forthwith the premises in the same condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of paragraph 13.

18. Condemnation. In the event of any taking or damage of all or any part of the premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") during the term of this lease, this lease shall terminate as of the date of such appropriation, the rental shall be prorated to the date of termination, District shall be entitled to the entire award made with respect to such appropriation, and Tenant hereby assigns to District all of Tenant's interest, if any, in such award.

19. Notices. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Tenant c/o John McGray at 606 S. Hart, Santa Maria, CA 93454. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

20. Nuisance. In addition to the provisions of paragraph 6 above, Tenant shall not commit, or suffer or permit waste, excessive noise, obnoxious odors, excessive dust or any other nuisance on the leased premises constituting an unreasonable interference with neighbors, other District tenants or persons using the Airport.

21. Assignment, Subletting and Encumbering. Tenant shall not assign, mortgage, encumber or grant control of this lease or any interest, right or privilege herein or sublet the whole or any portion of the Leased Premises or license or grant concessions for use of the leased premises or any part thereof. Any such assignment, mortgage, encumbrance, transfer, sublease, permit or concession shall be void and, at the option of District, shall terminate this lease.

22. Attorneys' Fees. In the event either party hereto commences any legal action or proceeding against the other party to perform or keep any term, covenant or condition of this lease to be kept or performed by the other party, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by District's appointed District Counsel).

23. General.

a. Each term and each provision of this lease agreement performable by Tenant shall be construed to be both a covenant and a condition. Time is of the essence of each term, condition and provision of this lease agreement.

b. One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by Tenant requiring District's consent or approval of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent similar act by Tenant. No act or thing done by District or District's employees or agents shall be deemed an acceptance of a surrender of the premises, and no agreement to accept such surrender shall be valid unless in writing signed by District.

c. This lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights-of-way, and encumbrances affecting the premises now of record or hereafter granted, caused or suffered by District.

d. Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement.

e. If any provision of this agreement shall be held by a court of competent jurisdiction to be invalid, the remainder of this agreement shall continue in full force and effect and shall in no way be affected or invalidated thereby. This agreement contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this agreement. No provision of this agreement shall be deemed to have been waived by District unless such waiver be in writing signed by District. This agreement is made subject to any approval of the Federal Aviation Administration which may be required.

f.

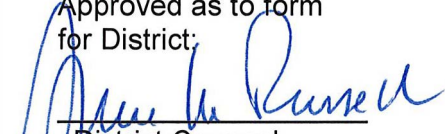
IN WITNESS WHEREOF, the parties have duly executed this agreement.

District

Approved as to content
for District:

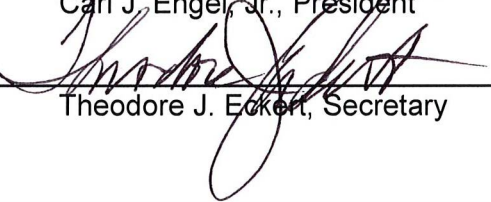

General Manager

Approved as to form
for District:

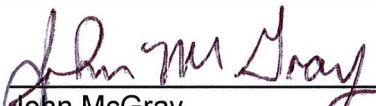
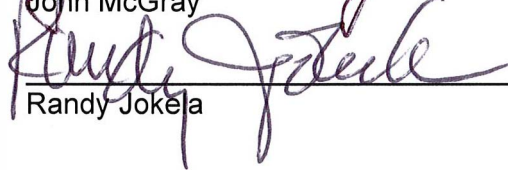

District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

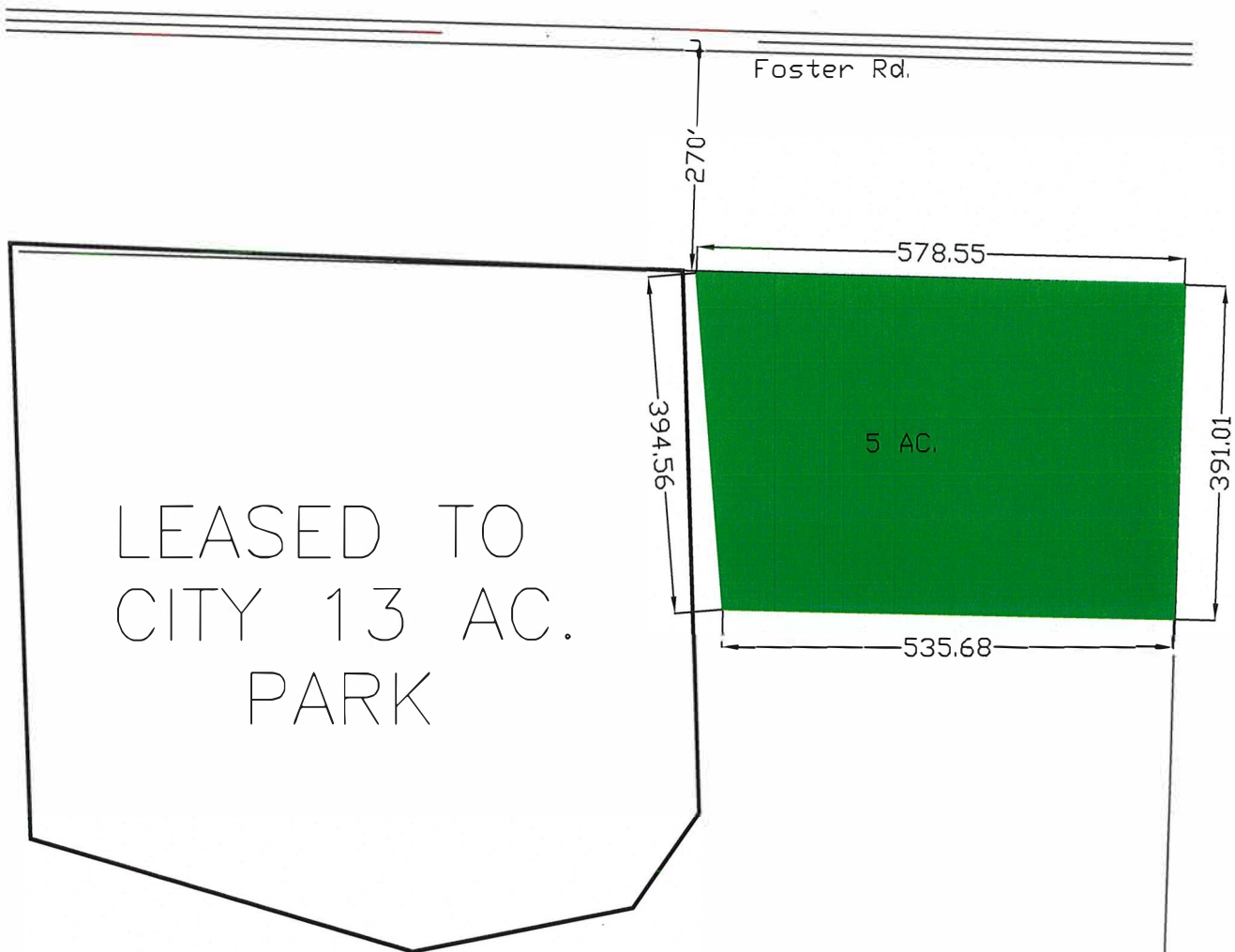
By 
Carl J. Engel, Jr., President

By 
Theodore J. Ecker, Secretary

Tenant


John McGray

Randy Jokela

t:\smpad\McGrayLease



NOT TO SCALE



Existing Lease

AIRPORT PROPERTY LINE

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated bipheynols (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

EXHIBIT "B"

B-1

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and
2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments damages, losses, penalties, fines, liabilities (including strict liability) encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time as a result of the existence of "Hazardous Materials" upon, about, beneath the Premises or migrating or threatening to migrate to or from the Premises, or the existence of a violation of "Environmental Requirements" pertaining to the Premises, and including without limitation:

1. Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises, (foreseeable or

B-2

unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

2. Fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "Hazardous Materials" or violation of "Environmental Requirements" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Premises or any other property or otherwise expended in connection with such conditions, and including without limitation any attorneys' fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and
3. Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;
4. Diminution in the value of the Premises, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises.

RIDER

Rider to Land Lease dated July 28, 2005, (herein called "this Lease") between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and JOHN McGRAY and RANDY JOKELA, (herein jointly called "Tenant") covering approximately Five (5) acres of land on Foster Road, east of Pioneer Park (herein called the "leased premises") at Santa Maria Public Airport (herein called the "Airport").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the leased premises described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Tenant for himself, his personal representatives successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the leased premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the leased premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

EXHIBIT "C"

C-1

3. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased premises and the facilities thereon, and hold the same as if this lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased premises.

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered suborganizations provide assurances to the Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

C-2

9. District reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased premises.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

14. Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased premises above the mean sea level elevation of 291 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

15. Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased premises and cause the abatement of such interference at the expense of Tenant.

C-3

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

C-4



06/13/19

Agenda Item
12
06/13/19

Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

Subject: Authorization for one staff member and one community member to attend the P3 Airport Summit to be held July 22-23, 2019 in San Diego, CA.

Summary

The P3 (Public Private Partnerships) Airport Summit is a part of P3C, which delivers some of the largest infrastructure focused events in the country and attracts public leaders, project managers, industry executives, and P3 development experts. The conference offers a unique and valuable opportunity to network with present and future partners in an information driven, networking focused environment. Attendees of the Airport Summit include many project owners considering alternative project delivery and exploring partnerships. This conference will allow airport staff and the EDC to become more familiar with the development and operation of the P3 model, hearing from industry experts presenting their knowledge, and valuable insights into market trends crucial for business decisions.

Budget

Conference	Attendees	Days	Rate	Total
Hotel	2	2	\$270.00	\$1,080.00
Meals	2	3	\$60.00	\$360.00
Transportation	1		\$650.00	\$650.00
Registration	2		\$450.00	\$900.00
Total:				\$2,990.00

Overall Impact:

The Board of Directors has not approved a budget for this fiscal year, if approved this will be included in the travel budget for fiscal year 2019-2020.

Recommendation

Staff recommends the board authorize this travel in an attempt to enhance our partnership with the EDC and obtain contacts for potential future airport development.

Please let me know if you have any questions:

Sincerely,

Chris Hastert, CM
General Manager



PUBLIC AIRPORT DISTRICT

June 13, 2019

Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

Agenda Item
13
06/13/19

Subject: Authorization for tuition reimbursement for Carla Osborn, Operations Officer.

Summary

Based upon section 10.5 of the Personnel Manual (See Attached). I am requesting reimbursement for Carla Osborn. Mrs. Osborn has completed and passed this course at Embry-Riddle Aeronautical University.

Budget

Course	Tuition				
Business & Professional Writing Course	\$1,170.00				
Business & Professional Writing Textbook	\$73.00				
Total:	\$1,243.00				\$1,243.00

Overall Impact

Approved 2018-2019 Budget for Education	\$9,000.00
Previously Approved for Education	\$2,295.00
Current Balance for Education	\$6,705.00
Amount of this Request	\$1,243.00
Balance Remaining if Approved	\$5,462.00

Recommendation

I recommend we repay Mrs. Osborn as the District will benefit as a result of additional training and these classes will assist the Operations Officer's pursuit of her Bachelor's Degree.

Sincerely,

Veroneka Reade
Manager of Finance & Administration

Carla Osborn

512 Cornwall Ave
Arroyo Grande CA 93420

Account No: 2513380
Statement Print Date: 5/30/2019 12:00 PM
Statement From/To Date: 11/30/2018 To 4/30/2019

Charges				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
04/30/2019	Worldwide 2019-05 May	WW Tuition Undergrad	390.00	USD
02/28/2019	Worldwide 2019-03 March	Payment Plan Installment	390.02	USD
02/28/2019	Worldwide 2019-03 March	Payment Plan Installment	390.02	USD
02/28/2019	Worldwide 2019-03 March	WW Payment Plan Fee	20.00	USD
02/26/2019	Worldwide 2019-03 March	WW Tuition Undergrad	1,170.00	USD
Total Charges:			2,360.04	

Payments				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
04/28/2019	Worldwide 2019-03 March	Payment by PayPath	-390.02	USD
03/28/2019	Worldwide 2019-03 March	Payment by PayPath	-390.02	USD
02/28/2019	Worldwide 2019-03 March	Transfer Balance to Pymt Plan	-780.04	USD
02/28/2019	Worldwide 2019-03 March	Payment by PayPath	-409.96	USD
Total Payments:			-1,970.04	

Refunds				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
Total Refunds:			.00	

Financial Aid				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
Total Financial Aid:			.00	

Net Total for Statement Date Range: 390.00

Daytona Beach Campus:
600 S. Clyde Morris Blvd.
Daytona Beach, FL 32114
386-226-6285

Prescott Campus:
3700 Willow Creek Rd.
Prescott, AZ 86301
928-777-3726

Worldwide Campus:
Campus of Attendance
386-226-6280

Order Summary

Order Number: 15710000033757

Ship to:

Carla Osborn

TOTAL: \$73.08 (USD)¹

Order Details

Order Date: Feb 26, 2019

Product Details:

Business & Professional Writing

Author: Macrae

ERAU Worldwide > Spring 2019 - March >

ENGL > 222 > All

STATUS:

BUY/RENT: BUY USED

Qty: 1

Product Details:

Business and Professional Writing: A Basic
Guide

Author: Author

Edition: 1st

ERAU Worldwide > Spring 2019 - March >

ENGL > 222 > All

STATUS:

BUY/RENT: BUY DIGITAL

Qty: 1

EMBRY-RIDDLE

Aeronautical University

Name: Osborn,Carla

ID: 2513380

Term: Worldwide 2019-03 March

Cumulative GPA: 4.000

Class	Course Title	Units	Grade
ENGL 222	Business Communication	3.00	A



PUBLIC AIRPORT DISTRICT

06/13/19

Agenda Item 14 06/13/19

Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

Subject: Authorization for one staff member to Attend the 73rd Annual S.W.A.A.E. Summer Conference to be held July 28-31, 2019, in Tucson, AZ.

Summary

The S.W.A.A.E. Summer Conference provides a wide variety of topics all relevant to Airport Staff. It allows staff to interact with other Airports with similar issues and meet with FAA representatives to discuss a myriad of important topics. Of specific interest is a presentation by a highly experienced Senior Air Service expert. Staff therefore requests approval to attend the S.W.A.A.E. Summer Conference.

Budget

Conference	Attendees	Days	Rate	Total
Hotel	1	3	\$211.00	\$633.00
Meals	1	4	\$60.00	\$240.00
Airfare	1		\$485.00	\$485.00
Registration	1		\$455.00	\$455.00
Total:				\$1,813.00

Overall Impact:

The Board of Directors has not approved a budget for this fiscal year, if approved this will be included in the travel budget for fiscal year 2019-2020.

Recommendation

Staff recommends the board authorize this travel in an attempt to educate Staff on current issues that affect airports in the south west region.

Please let me know if you have any questions:

Sincerely,

Chris Hastert, CM
General Manager

TARTAGLIA ENGINEERING

7360 El Camino Real, Suite E • P.O. Box 1930 • Atascadero, CA 93423
Phone: 805-466-5660 • civilengineers@tartaglia-engineering.com

Chris Hastert, General Manager
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

June 7, 2019

Project: Airfield Pavement Marking
Subject: Bid Opening

Dear Mr. Hastert:

In accordance with the Notice Inviting Sealed Bids, bids were received for the Airfield Pavement Marking Project Tuesday afternoon, June 4, 2019. A total of two (2) bids were received and reviewed:

No	Entity	Bid
1	Cal Stripe, Inc., Colton	\$405,991.00
2	Sterndahl Enterprises, Inc., Sun Valley	\$523,100.00
	Engineer's Estimate	\$458,985.00

A review of the bidders, the bids received, and the bidding process revealed the following:

1. Both bidders were present at the mandatory Pre-Bid Job Walk.
2. During the Pre-Bid Job Walk the bidders appeared to fully grasp the scope of the project.
3. Bids were received in advance of the date and time for receipt of bids.
4. Bids included the required Bid Bond.

Tartaglia Engineering performed a thorough review of all bid packages received with a focus on the following:

1. Preparation of a detailed, spread-sheet summary of all bid items to confirm bid totals. Math errors, if they exist, were evaluated based on the following two parameters:
 - A. In the event of discrepancy between unit pricing and total pricing, unit pricing shall prevail.
 - B. In the event of discrepancy between words and figures, words shall prevail.There were no math errors in any of the bids.
2. Unit pricing review for possible un-balanced bid. All bids are considered proper and well balanced.
3. Contractor licensing through the State of California, Department of Consumer Affairs. All bidders including the low bidder are properly licensed and all licensed are current.
4. Confirmation that all contractors are registered with the State Department of Industrial Relations.
5. Confirmation of proper and adequate bid bond.
6. Confirmation that the subcontractor schedule was properly and adequately filled out and that all certificates were signed.
7. Confirmation of DBE goal or Good Faith Effort requirements for the low bidding contractor.
8. Confirmation of acknowledgement / receipt of any addendum. Three addendums were issued.

June 7, 2019

In general, it is felt bids received accurately reflect the scope of work and the level of difficulty associated with this undertaking. In addition, they reflect current construction pricing for similar work in this area.

Based on this review of the bid process and all bid packages received, Tartaglia Engineering recommends award of the construction contract to Cal Stripe, Inc., of Colton, the apparent low bidder, in the amount of \$405,991.00.

Enclosed for your review you will find the bid result spread sheet, suitable for posting on the District web site. Please call with any questions you may have regarding the project or this correspondence.

Sincerely,

TARTAGLIA ENGINEERING


John A. Smith, P.E.
Project Engineer

Enclosure: Bid Result Spreadsheet

AIRFIELD PAVEMENT MARKING**Santa Maria Public Airport**

19-02

June 4, 2019 2:00 pm

1 Addendum Issued										
Item	<u>Bid Schedule</u> Description	Unit	Quantity	<u>Engineer's Estimate</u>		<u>Cal Stripe Inc., Colton</u>		<u>Sterndahl Ent., Sun Valley</u>		contractor ave
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	
1	Mobilization	LS	1.0	\$25,000.00	\$25,000.00	\$31,000.00	\$31,000.00	\$35,000.00	\$35,000.00	\$33,000.00
2	Safety and Security	LS	1.0	\$20,000.00	\$20,000.00	\$1.00	\$1.00	\$30,000.00	\$30,000.00	\$15,000.50
3	Remove Existing Pavement Marking	SF	6,200.0	\$1.00	\$6,200.00	\$1.75	\$10,850.00	\$4.00	\$24,800.00	\$17,825.00
4	Accumulated Rubber Removal	SF	107,500.0	\$0.65	\$69,875.00	\$0.08	\$8,600.00	\$0.40	\$43,000.00	\$25,800.00
5	Pavement Marking: Single Coat, with Reflective Media	SF	260,000.0	\$0.80	\$208,000.00	\$1.05	\$273,000.00	\$0.85	\$221,000.00	\$247,000.00
6	Pavement Marking: Single Coat, without Reflective Media	SF	220,000.0	\$0.55	\$121,000.00	\$0.34	\$74,800.00	\$0.70	\$154,000.00	\$114,400.00
7	Pavement Marking: Two Coat, with Reflective Media	SF	4,200.0	\$1.80	\$7,560.00	\$1.65	\$6,930.00	\$3.00	\$12,600.00	\$9,765.00
8	Pavement Marking: Two Coat, without Reflective Media	SF	900.0	\$1.50	\$1,350.00	\$0.90	\$810.00	\$3.00	\$2,700.00	\$1,755.00
	Total Bid				\$458,985.00		\$405,991.00		\$523,100.00	\$464,545.50
	Total Base Bid Identified on Bid Form						\$405,991.00		\$523,100.00	
	Cal Stripe, Inc.									
	2040 E. Steel Road, Colton, CA 92324									
	License: 685387 (A)									
	DIR: 1000001100									
	Contractors Attending the Mandatory Pre-Bid Job Walk:									
	Cal Stripe, Inc.									
	Sterndahl Enterprises									

BUILDING SPACE LEASE

This Building Space Lease ("Lease"), dated June 13, 2019, is entered into by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a public airport district of the State of California, and CENTRAL COAST JET CENTER (herein called "Tenant").

In consideration of the conditions, covenants and agreements herein contained, the parties agree as follows:

1. **Definitions.** Unless the context otherwise requires, the following terms have the meanings specified as follows:

- a. **"Airport"** means the Santa Maria Public Airport at Santa Maria, California.
- b. **"FAA"** means the Federal Aviation Administration or its successor organization or department.
- c. **"Improvements"** include buildings, structures, fixtures, partitions, counters, and other property affixed to the realty in any manner.
- d. **"Leased Premises" or "Premises"** mean and include the commercial aviation unit located at 3115-A Airpark Drive, at the Santa Maria Public Airport, in the City of Santa Maria, State of California, as shown outlined in red on the plot plan marked Exhibit "A" attached hereto and made a part hereof, together with those appurtenances specifically granted in this Lease.
- e. **"Movement Area"** means the runways, taxiways and other areas of the Airport, which are used for taxiing or hover taxiing, air taxiing, takeoff and landing by aircraft.
- f. **"Party" or "parties"** mean the District and/or Tenant.

2. **Premises.** District leases to Tenant and Tenant leases from District the Premises for the rent and on the terms and conditions hereinafter set forth.

3. **Month-To-Month Term.** The term of this Lease shall be on a month-to-month basis, commencing July 1, 2019, and may be terminated by either party on thirty (30) days' written notice to the other.

4. **Rent.** Tenant shall pay to District as monthly rent, the sum of \$731.00 (2,214 Sq. Ft. x .33 per Sq. Ft. based on the 2019-2020 published rates and charges) on the first day of each calendar month, without prior notice, demand, deduction or offset, at District's office at 3217 Terminal Drive, or such other address as District may direct Tenant in writing. Rent for partial month occupancy shall be prorated.

5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with District \$1,462.00 as a security deposit for the performance by Tenant of the provisions of this Lease. If Tenant is in default, District can use the security deposit, or any portion of it, to cure the default or to compensate District for any damage sustained by District resulting from Tenant's default. Tenant shall immediately upon demand pay to District a sum equal to the portion of the security deposit expended or applied by District as provided in this section so as to maintain the security deposit in the sum initially deposited with District. If Tenant is not in default at the expiration or termination of this Lease, District shall return the security deposit to Tenant. District's obligations with respect to the security deposit are those of a debtor and not a trustee. District shall deposit and maintain the security deposit in an interest-bearing and federally insured account in the name of District with a bank or savings and loan association in Santa Maria, subject to withdrawal and retention by District of all or any part of the amount on deposit or accrued interest to cure the default of Tenant or to compensate District for all damage sustained by District resulting from Tenant's default. Interest on the security deposit required herein shall accumulate to the benefit of Tenant.

6. **Late Charge.** Tenant acknowledges that late payment by Tenant to District of rent will cause District to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day, if the date the rent installment is due falls on a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

7. **Permitted Uses of Premises.** Tenant may use the Premises only for the following commercial aviation purposes:

a. Office incidental to, and storage incidental to the following permitted aviation-related businesses conducted on the Premises and permitted pursuant to subparagraphs b-k, below (construction of any such office requires compliance with Paragraph 16).

b. Sales, repair and maintenance of aircraft and aircraft components, including but not limited to aircraft inspection, repair, refurbishment, component overhaul, and aircraft engine test operations.

c. Park automobiles of Tenant, its employees and invitees, outside the building, only in designated parking lots, or in areas designated in writing by District's General Manager for Tenant's use; provided, passenger vehicles used in conjunction with a stored aircraft may be parked inside the building in place of the aircraft while in use.

d. Storage of aircraft owned by Tenant or under the care, custody or control of Tenant in connection with its permitted commercial aviation business. Subleasing for aircraft storage is prohibited.

- e. Sale of aircraft and aircraft parts, components and accessories.
- f. Rental and sales of aircraft.
- g. Flight instruction.
- h. Air taxi and on-demand aircraft charter services to the general public.
- i. Maintenance and renovation of airplane interiors and exteriors.
- j. Storage of aviation support equipment including but not limited to aircraft tugs.

All facilities required by Tenant shall be installed by and at Tenant's expense and in compliance with local, state and federal laws, ordinances, regulations and codes applicable thereto. Tenant shall not use the Premises, or any portion thereof, for any other purposes, unless the use is approved in advance in writing by the District. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein.

8. **Prohibited Uses.** Tenant shall not use or permit use of the Premises or the Airport, or any portion thereof, for any of the following purposes:

- a. Sale of gasoline or other fuels not dispensed by a third-party supplier.
- b. Spray painting within the building using flammable liquids or paints without proper, approved suppression and protection equipment and facilities, or in a manner which is prohibited by any applicable law, ordinance or governmental order or regulation or in a manner that does not meet the requirements of District's fire and liability insurance carriers.
- c. Park any vehicle within the building, except temporarily for the purpose of loading or unloading freight or passengers.
- d. Store any flammable liquids or substances or explosives within the building, except as may be authorized by District in writing and by the City of Santa Maria Fire Department, and except for aviation fuel in parked aircraft. Minor amounts of new lubricating engine oil, grease and similar combustible liquids necessary to the permitted uses will generally be permitted when stored in original Underwriters Laboratory listed containers.
- e. Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District or the FAA or in such a manner which may interfere with the landing or taking off of aircraft from the Airport or otherwise constitute a hazard.
- f. Store on the Premises any property or articles or conduct any activities or operations which are not directly related or incidental to the permitted uses in Paragraph 7 of this Lease, or store any property outside the building.
- g. Use any paint stripping or aircraft finish removal process.

h. Operation of rotary wing aircraft to or from Premises. Rotary wing aircraft will be towed to and from a "movement area" on the Airport.

i. Washing of aircraft, equipment or vehicles where runoff and/or wastewater will directly enter District's storm drain system or City sewer system without permit or approved treatment.

j. Any use which is not directly related to the Permitted Uses and which does not require location on the Airport within the Airport Operating Area ("AOA").

k. Use any torches, heaters or other devices on the Premises that cause a flame or fire.

l. Use as a temporary or permanent residence is specifically prohibited.

m. Storage of any recreational vehicle, trailer, camper, or other vehicle equipped with or usable as living quarters, on the Airport or on the Premises is prohibited. Temporary parking of such a vehicle may be permitted only with the prior written permission of District's General Manager.

n. Storage of any vehicle not covered by a Permitted Use, other than mobile equipment incidental to the Permitted Uses, is prohibited.

9. **Landlord Improvements.** District shall not be responsible for any improvements to the Premises.

10. **Utilities.** Tenant shall pay all costs, charges and deposits for all utilities and services furnished to or used by Tenant, including without limitation, gas, water, electricity, telephone service, trash collection and for all connection charges. District shall have no obligation to extend utility services to the Premises. Tenant shall reimburse District on a monthly basis for a proportionate share of costs for water, gas and electricity used by Tenant as estimated by District unless Tenant elects to, at Tenant's expense, separately meter the utilities.

11. **Taxes.** Tenant shall pay before delinquency any and all taxes, (including real property taxes) assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interest of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. By entering into this Lease, a possessory interest subject to property taxation may be created, and Tenant may be subject to payment of property taxes levied on such interest. Tenant shall pay all such taxes.

12. **Assumption of Risks.** Tenant represents that Tenant has inspected the Airport and Premises and accepts the condition of the Premises and assumes all risks incidental to the use of the Airport and Premises. District shall not be liable to Tenant for any damages or injury to persons or property of any of Tenant's agents, employees, visitors, guests or invitees from any cause or condition whatsoever.

13. **Indemnity.** Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives and the Premises (collectively herein "District") at all times from and against any and all liability, suits, proceedings, liens, actions, penalties, damages, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which District may incur, sustain or be subject to (collectively "Liability") arising out of or in any way connected with: the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees; or Tenant's operations on, or use or occupancy of the Premises or the Airport. The forgoing indemnification excludes only Liability caused by the sole active negligence of District or its willful misconduct. Tenant shall also defend (with counsel acceptable to District), indemnify and hold District harmless from and against, all Liability, including third party claims, environmental requirements and environmental damages (as defined in Exhibit "B", Hazardous Material Definitions), costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Premises or the Airport or the improvements thereon or District's property or improvements in the vicinity of the Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials (defined in Exhibit "B") which occurs in, on or about the Premises or the Airport as the result of any activities of Tenant or Tenant's agents, employees, invitees, licensees, guests, successors or assigns, or subtenants. Tenant shall notify District immediately of any Release of any toxic or hazardous material on the Premises.

14. **Insurance.** Tenant shall secure and maintain, without cost to District, in full force and effect at all times during the term of this Lease the following types and minimum amounts of insurance:

a. Commercial general liability insurance, including bodily injury and death liability, property damage liability, premises liability, completed operations and products liability coverage, contractual liability, public liability, and owners and contractors protective coverage with a combined single limit of liability of at least \$1,000,000 for each accident or occurrence.

b. Aircraft and airport operations insurance, including passengers, products and completed operations for each aircraft owned or operated by Tenant on the Airport, or manufactured or stored on the Premises, with a combined single limit for bodily injury and property damage of \$1,000,000 for each occurrence.

c. For and during the time Tenant has vehicles or mobile equipment which are used in Tenant's business or used in, on or about the Premises or anywhere on District property, automobile and mobile equipment liability insurance covering all vehicles and mobile equipment used by Tenant on the Airport providing bodily injury, personal injury and death liability limits of not less than \$1,000,000 per person per occurrence and property damage of not less than \$500,000 for each accident or occurrence.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District.

Tenant shall provide District with copies of all insurance policies and certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days' written notice to District and an endorsement providing the contractual liability coverage for the indemnification required in Paragraph 13 above.

The foregoing limits of liability coverage may be annually reviewed by the District's General Manager and, upon report of his recommendations for an increase or decrease to the Board of Directors of the District, the District may increase or decrease the limits of liability of such liability insurance coverage's in accordance with the General Manger's recommendations or otherwise.

15. **Insurance Premium Increase.** Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with the fire insurance or liability policies covering the Premises or which shall or might subject District to any unreasonable risks or exposure to liability or responsibility for injury to any person or persons or to any property by reason of any business activity or operation being carried on by Tenant upon the Premises. Tenant shall pay for any additional premiums of District's fire and liability insurance policies charged by reason of Tenant's use or operations on the Premises.

16. **Alterations.** Tenant shall make no alterations, additions or improvements in the Premises or otherwise at the Airport without District's prior written consent. Except as otherwise provided below, any improvements installed in accordance with this paragraph shall be District's property upon completion. Upon expiration or termination of the Lease, if District elects (upon written notice to Tenant of such election) that all or a designated portion of the alterations, additions, or improvements made by Tenant shall be removed by and at the expense of Tenant, then Tenant shall at Tenant's expense remove (within 30 days after such notice) such alterations, additions or improvements, or such portion thereof designated by District, restore District's property to at least its former condition, normal wear and tear excepted, and repair any damage resulting from such removal. Machinery, equipment and trade fixtures installed by Tenant in the Premises shall not be considered "alterations, additions or improvements" subject to the foregoing provisions and shall be removed from the Airport by Tenant on or before expiration or termination of this Lease, providing any damage to District property resulting from such removal shall be repaired or restored at Tenant's expense. All alterations, additions and improvements made by Tenant shall be done in a workmanlike manner, with good materials, and in full compliance with all applicable building codes, laws, ordinances, regulations and directions of public agencies having jurisdiction.

17. **Airport Facilities.** All aircraft owned by Tenant or under the care, custody and control of Tenant, and mobile equipment parked, loaded and unloaded outside the Premises shall be parked, loaded and unloaded only in locations designated by District. Tenant agrees to observe, obey and abide by all directives, rules and regulations for the common and joint use of Airport facilities and for maintenance and conduct of Tenant's business at the Airport, which may hereafter be imposed by District's Board of Directors, FAA, City of Santa Maria, or any other governmental entity or agency having jurisdiction. Tenant shall not store any cargo, supplies or materials outside the Premises without the prior written consent of District. District has no obligation to provide security guards, lighting or fencing or to provide any services or utilities not expressly set forth in this Lease.

18. **FAA Restrictions and Reservations.** The Rider marked "Exhibit C" attached hereto, consisting of four pages of provisions required by the Federal Aviation Administration, is incorporated herein and made a part hereof. Tenant agrees to comply with all of the terms and conditions of said Rider.

19. **Permits/Compliance With Laws Payment of Costs of Compliance.** Tenant shall secure and maintain in force during the term of this Lease all licenses and permits necessary or required by law for the conduct of Tenant's business or operations. Tenant shall at all times comply with, and shall pay all costs and expenses which may be incurred or required to be paid in order to comply with all applicable laws, statutes, ordinances, rules, regulations, and orders of federal, state and local governments, and other public agencies ("laws") which apply to the operation and/or use of the Premises. These laws include, but are not limited to, all laws concerning air and/or water quality, fire and/or occupational safety, and accessibility, as well as those requiring alterations or additions to be made to, or safety appliances and devices to be maintained or installed in, on, or about the Premises under any laws now or hereafter adopted, enacted or made and applicable to the Premises. Tenant shall pay any fees, charges, or assessments arising out of or in any way related to the Premises as a source of adverse environmental impacts or effects. Tenant specifically agrees that it is a condition of the continuation of this Lease that all materials used by Tenant for which a Material Safety Data Sheet is required, or otherwise referenced or listed on Exhibit "B", will be stored, used and disposed of, together with any contaminated by-products of such use, in strict compliance with the applicable Material Safety Data Sheet or the requirements of the governmental agency with authority to regulate such storage, use and disposal, whichever is more stringent. Tenant further agrees to maintain adequate storage and disposal facilities on the Premises. Tenant will maintain on the Premises and available for inspection at any reasonable time adequate records of material stored, used or disposed of, including but not limited to Material Safety Data Sheets and Uniform Hazardous Waste Manifests for material shipped from the Premises.

20. **Repairs and Maintenance/Entry.** Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the Premises and every part thereof in good and sanitary order, condition and repair. Tenant shall not make any repairs, which are the responsibility of District without District's prior written consent. Tenant waives all rights to make repairs at District's expense. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter and dust at all times. District will, at District's expense, repair and maintain the roof, exterior walls and doors of the Premises. District's obligation to maintain does not include any damage or changes caused by Tenant or Tenant's employees, contractors or invitees. District and the utility companies shall have the right to enter the Premises for the purposes of inspection, installation, and repair of utility facilities. District and authorized agents of District shall have the right to enter the Premises at all reasonable times for the purpose of inspecting or repairing the same or at any time in case of an emergency.

21. **Acceptance: Surrender.** Tenant accepts the Premises as being in good and sanitary order, condition and repair and agrees on the last day of the term or sooner termination to surrender to District the Premises in the same condition as when received, reasonable use and wear and damage by fire, act of God or by the elements excepted, and subject to the provisions of Paragraph 16, **Alterations.**

22. **Condemnation.** In the event of taking or damage to all or any part of the Premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") prior to or during the term (or any extension or renewal), the rights and obligations of District and Tenant with respect to such appropriation shall be as hereinafter provided. In the event of an appropriation of the Premises, this Lease shall terminate as of the date of such appropriation. The rents and all other obligations of Tenant shall be prorated to the date of termination, and District shall be entitled to the entire award made with respect to the appropriation, and Tenant hereby assigns to District all of Tenant's interest, if any, in such award.

23. **Damage or Destruction.**

a. **Partial Destruction - Insured Loss.** If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause, (ii) the Premises are not thereby rendered totally untenantable, (iii) the loss is covered by insurance, and (iv) the destruction can be repaired within sixty (60) days from the date of destruction, this Lease shall not automatically terminate. District may, at its option, repair or rebuild the same from and to the extent of the insurance proceeds payable for the loss. If there should be a substantial interference with Tenant's business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt, unless the damage or destruction is attributable to Tenant, its successors or assigns, its employees, agents, representatives, invitees or customers.

b. **Total Destruction - Uninsured Loss.** If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause and are thereby rendered wholly untenantable or are more than fifty percent (50%) damaged or destroyed, or (ii) the damage or destruction of the Premises is not covered by insurance, then, in either event, District, if District so elects, may repair or rebuild the building within a reasonable time after such destruction or damage, or District may give notice terminating this Lease as of a date not later than thirty (30) days after such damage or destruction. If District elects to repair or rebuild the Premises, District shall, within thirty (30) days after such damage or destruction, give Tenant notice of District's intention to repair or rebuild and shall proceed with reasonable speed to make the repairs or to rebuild. Unless District elects to terminate this Lease, this Lease shall remain in full force and effect, and the parties waive the provision of any law to the contrary. If there should be a substantial interference with Tenant's business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt, unless the damage or destruction is attributable to Tenant, its successors or assigns, its employees, agents, representatives, invitees or customers. In the event of termination under this subparagraph, rent will be prorated to the date of termination and surrender of possession of the Premises to District.

c. **Extent of Rebuilding.** If District should elect or be obligated to repair or rebuild the building because of any damage or destruction, District's obligation shall be limited to the basic building. Tenant shall at Tenant's expense fully repair or replace all fixtures, equipment,

and other installations installed by or for Tenant at its expense.

24. **Termination By District.** District, in addition to any right of termination as a matter of law or any other right herein given to District, may at its option cancel and terminate this Lease and agreement, by written notice thereof given to Tenant, upon or after the occurrence of any of the following events:

a. Filing by or against Tenant of a voluntary or involuntary petition in bankruptcy or for reorganization, or taking of Tenant's assets pursuant to a proceeding under the Federal Reorganization Act, or the adjudication of Tenant as a bankrupt, or the appointment of a receiver of Tenant's assets, or divestiture of Tenant's assets or estate herein by operation of law or otherwise or assignment by Tenant of its assets for the benefit of creditors.

b. The breach by Tenant or failure of Tenant to keep, observe or perform any of the covenants, conditions or provisions on the part of Tenant to be observed kept or performed.

c. Dissolution or liquidation of Tenant of all or substantially all of its assets.

d. The transfer, in whole or in part, of Tenant's interest in this Lease or in the Premises, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means.

25. **Additional Remedies of District.** In addition to any other remedy District may have under this agreement or by operation of law, District shall have the right, in the event of Tenant's nonpayment of rent required under this Lease, or in the event of default of any of the terms or conditions of this Lease, or if Tenant shall abandon or vacate the Premises, to terminate this Lease upon written notice to Tenant and re-enter the Premises and eject all persons and remove all property, other than District's property, from the Premises or any part of the Premises. Any property removed from the Premises upon re-entry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefore. No waiver by District of a default by Tenant of any of the terms, covenants, conditions or provisions hereof to be kept, observed or performed shall be construed to be a waiver by District of any subsequent default. If Tenant breaches this Lease and abandons the property before the end of the term, or if its right to possession is terminated by District because of Tenant's breach of this Lease, this Lease terminates. On such termination, District may recover from Tenant:

a. The worth at the time of award of the unpaid rent, which had been earned at the time of termination;

b. The worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided.

c. The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Tenant proves could be reasonably avoided; and

d. Any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom; and

a. At District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California.

The "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) above is computed by allowing interest at the maximum legal interest rate. The worth at the time of award of the amount referred to in subparagraph (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

26. **Contact Personnel.** Tenant shall designate and furnish District with the names, telephone numbers and addresses of two employees of Tenant who have authority to provide access to the Premises by District's personnel for emergency purposes.

27. **Notices.** All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and the Tenant at 1211 Citation Court, Santa Maria, CA 93455. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

28. **Attorneys' Fees.** If either party commences any legal action or proceeding against the other party to interpret, perform or keep any term, covenant or condition of this Lease or cause any term, covenant or condition of this Lease to be kept or performed by the other party, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by District's appointed District Counsel).

29. **Advances.** In the event of Tenant's breach of any covenant or condition of this Lease, District may, but shall not be obligated to at any time, with or without prior notice, cure such breach for the account and at the expense of Tenant, and in such event the amount thereof shall be immediately due and payable by Tenant to District upon demand in writing and shall bear interest at the maximum rate an individual is permitted by law to charge from the date such expenses were incurred until repaid in full.

30. **Signs.** No sign, advertisement, notice or other lettering shall be inscribed, painted or affixed by Tenant on any part of the Premises or on any portion of the Airport without the prior written consent of District's General Manager. Any such sign, advertisement, notice or other lettering must be removed by Tenant at Tenant's expense before the end of the term of this Lease, including repair of any damage in such removal. Any sign not removed at the end of the term shall be deemed abandoned and may be retained as property of the District or may be removed by District in which case Tenant shall pay District the cost of removal thereof. All signs shall be kept in good repair and condition by Tenant. All signs must conform to the ordinances and regulations of the City of Santa Maria and approval of the District. Banners are prohibited.

31. **Vehicles.** Any motor vehicles of Tenant permitted to operate on any aircraft movement area at the Airport shall be equipped with two-way radios capable of two-way communication with the control tower at the Airport.

32. **Nuisance.** Tenant shall not commit, or suffer or permit waste, excessive noise, excessive accelerations of air, obnoxious odors, excessive dust or any other nuisance in, on, about or adjacent to the Premises constituting an unreasonable interference with other District tenants or persons using the Airport.

33. **Assignment. Subletting and Encumbering.** Tenant shall not assign, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein or sublet the whole or any part of the Premises or license or grant concessions for use of the Premises or any part thereof. Any assignment, mortgage, encumbrance, transfer, sublease, permit, license or concession in violation of this paragraph shall be void and, at the option of District, shall terminate this Lease.

34. **Fire Safety.** Tenant shall furnish and keep adequate fire extinguishers in sufficient numbers and in convenient and accessible places upon the Premises; said fire extinguishers shall be charged and ready for immediate use as required by fire regulations and applicable laws or ordinances. If Tenant receives an inspection notice or a deficiency or correction notice following an inspection by the City of Santa Maria Fire Department, Tenant agrees to make any and all corrections immediately in the manner required by the fire department, but in no event later than five (5) days after receipt of the notice.

35. **Access.** Tenant shall have reasonable access to the Premises through the closest airfield gate only.

36. **Parking.** Tenant and Tenant's employees and invitees shall park vehicles where designated by the District's General Manager.

37. **General.**

a. Each term and each provision of this Lease agreement performable by Tenant shall be construed to be both a covenant and a condition. Time is of the essence of each term, condition and provision of this Lease agreement.

b. One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent similar act by Tenant. No act or thing done by District or District's employees or agents shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by District. Delivery of keys to any agent or employee of District shall not operate as a termination of this Lease or a surrender of the Premises. No provision of this agreement shall be deemed to have been waived by District unless such waiver is in writing signed by District.

c. This Lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights of way, and encumbrances affecting the Premises now of record or hereafter granted, caused or suffered by District.

d. Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement. All exhibits attached hereto are incorporated herein and made a part hereof.

e. If any provision of this agreement shall be held by a court of competent jurisdiction to be invalid, the remainder of this agreement shall continue in full force and effect and shall in no way be affected or invalidated thereby.

f. This agreement contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this agreement.

g. This agreement is made subject to any approval or consent of the Federal Aviation Administration, which may be required.

38. **Aircraft Engine Run-ups and Repair and Maintenance.** District may impose restrictions on Tenant to observe the following provisions relating to engine run-ups of aircraft on the Premises and at the Airport:

a. Full power engine run-ups for other than immediate flight operations shall be prohibited between the hours of 10:00 p.m. and 7:00 a.m. local time.

b. Except for emergencies, Tenant agrees that Tenant will not operate any rotary wing aircraft at the airport between the hours of 10:00 p.m. and 7:00 a.m. local time.

39. **Quitclaim.** At the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to District within thirty (30) days after written demand from District to Tenant any quitclaim deed or other document required by any reputable title company to remove the cloud of this Lease from the real property subject to this Lease.

40. **Interpretation and Venue.** This Lease is to be interpreted in accordance with the laws of the State of California. Any legal action relating to this Lease shall be brought in the court of appropriate jurisdiction in the County of Santa Barbara, State of California.

41. **Tenant's Obligations.** Tenant shall:

a. If a California corporation, furnish to District a copy of its Articles of Incorporation and a current listing of its officers, directors and agent for service of process filed with the California Secretary of State. If an out-of-state corporation, also furnish a copy of a current Certificate of Qualification issued by the California Secretary of State qualifying the corporation to do business in the State of California, as well as a certificate designating its agent for service of process in the State of California.

If a partnership, furnish District a copy of the published statement of doing

business under a fictitious name filed with the Santa Barbara County Clerk.

If any other type of entity, furnish such information as District may reasonably request to verify the nature and status of the entity and responsible individuals.

b. Tenant's signatories on the Agreement shall complete, as individuals, and return to District District's Lessee/Licensee Information Form.

IN WITNESS WHEREOF, the parties have executed this Lease.

Dated: June 13, 2019

DISTRICT:

Approved as to content for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

General Manager By: _____
Hugh Rafferty, President

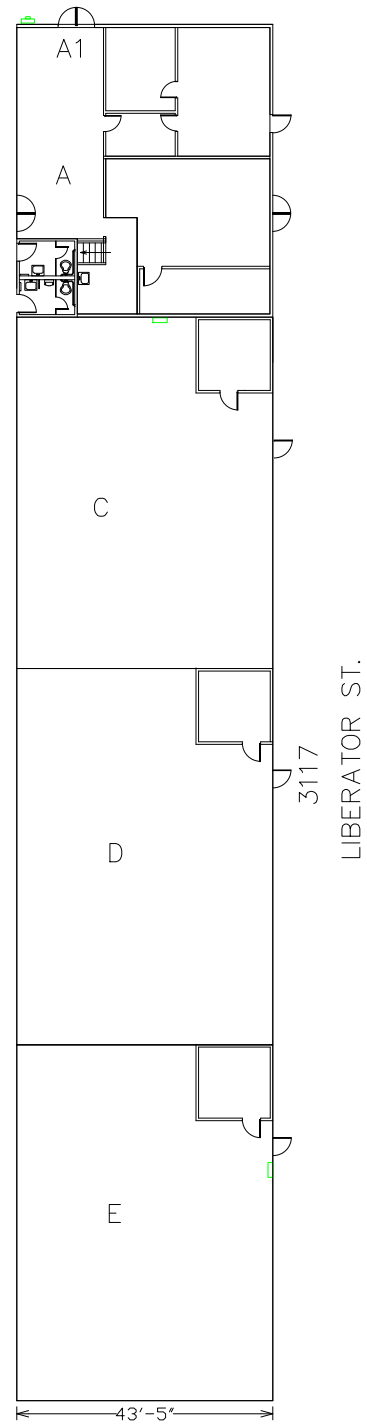
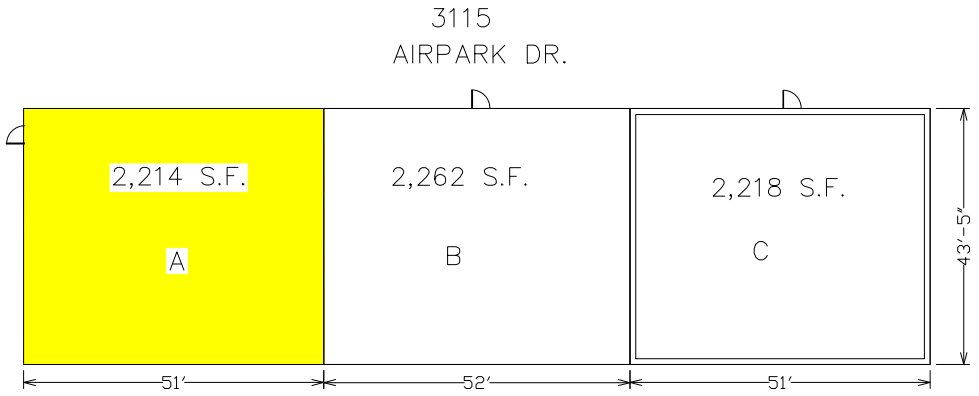
Approved as to form for District: By: _____
Carl Engel, Secretary

District Counsel

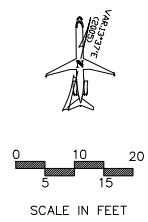
TENANT:

CENTRAL COAST JET CENTER

By: _____
James Kunkle, President



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DATE: 06/13/19

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HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises or the Airport causes or threatens to cause a nuisance upon the Premises or the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or Airport; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and
2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time caused by "Hazardous Materials" upon, about, beneath the Premises or Airport or migrating or threatening to migrate from the Premises or the Airport, or the existence of a violation of "Environmental Requirements" pertaining to the Premises or the Airport as the result of "Tenant's" use or occupancy of the Premises or the Airport or as the result of any of "Tenant's" (or "Tenant's" agents, employees, invitees or officers) actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

1. Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises or the Airport, (foreseeable or unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

2. Fees incurred for the services of attorneys, consultants, "Tenant's", experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "Hazardous Materials" or violation of "Environmental Requirements" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and

3. Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;

4. Diminution in the value of the Premises or the Airport, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises or the Airport.

EXHIBIT "C"

RIDER

Rider to the License Agreement dated June 13, 2019, herein called "License") between Santa Maria Public Airport District (herein called "District") and Central Coast Jet Center (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the leased property described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the leased property and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon and hold the same as if this lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased property.

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered suborganizations provide assurances to the Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. District reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased property, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased property.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

14. Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

15. Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased property and cause the abatement of such interference at the expense of Tenant.

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.



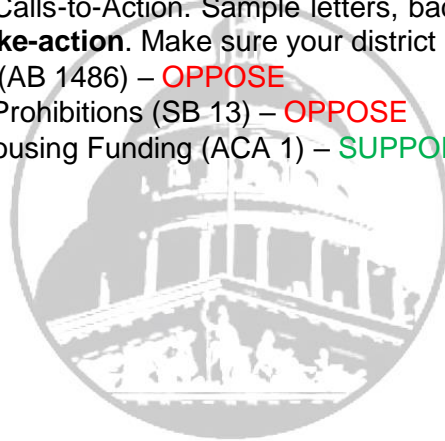
TAKE ACTION BRIEF

June 2019

It's crunch time for the State Budget, with a June 15 Constitutional deadline for the State Legislature to send Governor Gavin Newsom a balanced budget in time for the July 1 fiscal new year. Also, in June, policy committees will reconvene for legislation that made it to the second house. Therefore, Senate policy committees will begin hearing Assembly Bills and vice-versa.

CSDA currently has three active Calls-to-Action. Sample letters, background information, and more can be found on each one at csda.net/take-action. Make sure your district has submitted your letter on all three:

- Surplus Land Restrictions (AB 1486) – **OPPOSE**
- Development Impact Fee Prohibitions (SB 13) – **OPPOSE**
- Local Infrastructure and Housing Funding (ACA 1) – **SUPPORT**



Inside this edition of the Take Action Brief:

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Contact a local CSDA representative near you!

Dane Wadlé
Colleen Haley
Cole Karr
Steven Nascimento
Chris Palmer

Northern & Sierra Networks
Bay Area Network
Central Network
Coastal Network
Southern Network

danew@csda.net
colleenh@csda.net
colek@csda.net
stevenn@csda.net
chrisp@csda.net



➤ REVENUE, FINANCES, AND TAXATION

CSDA's long range policy priority on revenue, finances, and taxation is to ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies.

CSDA Supported Local Infrastructure and Housing Funding Action Needed!

Assembly Constitutional Amendments [\(ACA\) 1 \(Aguiar-Curry\)](#) will create a new constitutional vote threshold of 55 percent for both General Obligation (G.O.) bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing. The bill also specifies requirements for voter protection, public notice, and financial accountability.

CSDA strongly supports the measure and encourages special districts to voice their support by sending in a letter of support. Additional information and a sample letter are available on the [CSDA Take Action page](#)

ACA 1 defines "public infrastructure" to include, but not be limited to, projects that provide the following:

- Water or protect water quality, sanitary sewer, treatment of wastewater, or reduction of pollution from storm water runoff
- Protection of property from impacts of sea level rise
- Open space, parks and recreation facilities
- Improvements to transit and streets and highways
- Flood control
- Broadband internet access service expansion in underserved areas
- Local hospital construction
- Public safety buildings or facilities and equipment
- Public library facilities

Currently, the California Constitution requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of how the city, county, or special district proposes to use the funds.

Under current law, local officials propose a local bond or special tax and then the voters in that community decide whether or not they support the idea. Under ACA 1, voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and special districts, cities, and counties, so that all local governments have a viable financing tool to address community needs.

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects. ACA 1 would provide viable financing options while providing robust public accountability. If ACA 1 passes both houses of the Legislature with two-thirds of the vote, it would then be placed on a statewide ballot in 2020 for voter approval.

After securing amendments to include special districts in the new vote threshold for G.O. bonds, CSDA moved to full support of this measure and all special districts are encouraged to submit letters of support. You can find a sample letter on the Take Action page at csda.net/take-action.

Should you have any questions about the bill, please contact CSDA Legislative Representative Anthony Tannehill at anthonyt@csda.net.



CSDA Advocates to Protect Property-Related Rates and Fees in CA Supreme Court

On May 29, CSDA joined the Association of California Water Agencies, California Association of Sanitation Agencies, California State Association of Counties, and League of California Cities in [a brief](#) to the California Supreme Court in the [Wilde v. City of Dunsmuir](#) case. The case involves a city's water rate plan resolution that was adopted for an extensive water upgrade project, and whether the resolution is subject to a referendum by voters, or if it can only be changed through the initiative process.

California voters adopted Proposition 218 to add article XIII C to the California Constitution by which they expressly reserved their right to challenge local taxes, assessments, fees, and charges by **initiative**. At issue in this case is whether the electorate (i.e. voters) can use the **referendum** power (Cal. Const., art. II, § 9) to challenge a city's resolution increasing water fees or is such a challenge expressly limited to the power of initiative (Cal. Const., arts. XIII C & XIII D, § 6).

Appeals Court Rules Prop 218 Rate Plan Subject to Referendum

Last year, the Third District Court of Appeal held that voters' adoption of Proposition 218 did not repeal the right to challenge local resolutions and ordinances by referendum, and that a public agency's adoption of a water rate plan is a legislative decision subject to referendum. The court's decision would allow referenda against property-related fees and may serve to destabilize the finances of districts that provide water, sewer, and solid waste services, among others.

The Court of Appeal decision reverses previous precedent that exempted local taxes, fees, and other property-related revenue measures from referendum (but not an initiative, as permitted by Article XIII C, section 3 of the California Constitution). The distinction between a referendum and an initiative is important for special districts to consider. A referendum is a challenge by voters to an enactment already made by the legislative body, whereas an initiative is a legislative proposal by the people placed on the ballot by voters to be decided by voters. Both qualify for the ballot through submission of a petition signed by a designated percentage of the electorate. Most importantly, an initiative operates prospectively and is less disruptive to municipal finances than a referendum, which automatically suspends the resolution the moment signatures are certified until and unless the voters reject the referendum when it is later taken up at the ballot.

CSDA Action

The brief recently filed with the California Supreme Court on behalf of special districts and other local governments argues four main points:

- 1) The article II, section 9 prohibition on the use of referenda to challenge certain tax levies or appropriations applies here;
- 2) Property-related rates and fees are subject to initiative, but exempt from referendum;
- 3) Nothing in the text of article II, section 9 or article XIII A, XIII C, or XIII D suggests assessments, charges, or fees are subject to referendum; and
- 4) Public policy supports allowing majority protests and initiatives, but not referenda, on water rates.

CSDA will continue to monitor this case and provide updates as the case proceeds in the California Supreme Court.

If you have any questions about this case or how it impacts your district, contact Legislative Analyst – Attorney Mustafa Hessabi at mustafah@csda.net.



TAKE ACTION BRIEF

➤ GOVERNANCE AND ACCOUNTABILITY

CSDA's long range policy priority on governance and accountability is to enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant, or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preference of each community

Email Retention Mandate Passes the Assembly

In the final week of May, the California State Assembly passed [AB 1184 \(Gloria\)](#) on a vote of 59-8. The bill places a new requirement in the California Public Records Act (CPRA) that requires all public agencies to retain ALL emails related to the business of the agency for two-years.

While this bill is being promoted by the author as a transparency measure, it simply isn't; it is, however, a data retention measure. This bill creates no new record disclosure requirements, nor does it provide any new exemptions. [AB 1184](#) does not provide the public with any greater access to records than is already available to them, yet public agencies will be on the hook for the costs of storing the emails because the author is purposefully trying to avoid having the State reimburse public agencies for this new mandate by placing it in the CPRA. The retention requirements of [AB 1184](#) would be the only retention requirements in the CPRA; all other record retention requirements are in other areas of the Government Code.

CSDA, along with a growing coalition of public agencies are opposing AB 1184, but we need your help. We are looking for examples of email and record retention policies from districts that we can use as an example of why this bill isn't needed. If your district has a written email and or records retention policy, please email it to CSDA Senior Legislative Representative, Dillon Gibbons at dillong@csda.net. Any examples you provide CSDA will not be shared with your district's name without your express permission.



➤ INFRASTRUCTURE, INNOVATION, AND INVESTMENT

CSDA's long range policy principal regarding infrastructure, innovation, and investment is to encourage prudent planning for investment and maintenance of innovative long-term infrastructure. CSDA supports the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services.

Surplus Land and Impact Fee Legislation Reaches the Second House

CSDA is asking members to take action by submitting or updating letters in opposition to AB 1486, which places costly restrictions on surplus land, and SB 13, which imposes prohibitions on certain special district fees. To download a template please visit the [Take Action Page](#) on CSDA's website. If your district previously submitted a letter in opposition to [AB 1486](#), please submit an updated version, as the bill has been significantly amended.

Surplus Land Restrictions (AB 1486)

Prior to the first house deadline, the Assembly took up [AB 1486 \(Ting\)](#), which would expand the Surplus Land Act (SLA) to cover all land owned by public agencies. AB 1486 passed the Assembly Floor on a mostly party line vote and now advances to the Senate for consideration in policy committees.

Previously, AB 1486 generated intense opposition from a coalition of public agencies, including CSDA. Over 40 CSDA members submitted letters of opposition to the bill and called members of the Committee. Thanks largely to this grassroots effort, the author was compelled to accept amendments in order to keep AB 1486 moving through the Legislature as other concerns are addressed. Unfortunately, CSDA has been unable to resolve remaining concerns, and we must now call upon our membership to renew opposition as we continue our attempts to work with the author in good faith.

Items remaining to be addressed include:

- Allowing agencies discretion to determine what land is actually surplus to their mission/purpose.
- Allowing agencies to conduct informal and formal negotiations to determine the market value of their land without triggering the requirements of the SLA.
- Removing provisions that would invalidate land transfers where an agency did not follow the SLA when required.

Development Impact Fee Prohibitions (SB 13)

The Senate passed [SB 13 \(Wieckowski\)](#) on a 34-2 vote prior to the first house deadline. The bill now awaits referral to a policy committee and will likely be heard some time in June.

SB 13 prohibits impact fees for ADUs smaller than 750 square feet and limits impact fees for ADUs larger than 750 or more square feet to 25 percent of the impact fees otherwise charged for a new single-family dwelling on the same lot. The legislation does not define the term "impact fee", so this prohibition applies to developer fees charged by recreation and park districts, fire protection districts, flood control districts, and other non-enterprise services, as well as potentially applying to capacity and connection fees charged by sewer, water, and utility districts.

Given that revenue for local governments is tightly restricted by the California Constitution, fees are one of the few ways that special districts can fund the infrastructure needs of those moving into a community. Impact fees are critical for park and fire protection districts trying to recoup their costs for serving the residents of new accessory dwelling unit developments.

If you have any questions about AB 1486 or SB 13, please contact CSDA Legislative Representative Rylan Gervase at rylang@csla.net.



➤ HUMAN RESOURCES AND PERSONNEL

CSDA's long range policy priority on human resources and personnel is to promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees, both represented and non-represented.

Sexual Harassment Prevention Training Requirements Being Updated

In 2018 the Legislature passed [SB 1343 \(Mitchell\)](#), which requires employers with 50 or more employees to provide all employees with sexual harassment prevention training. Unfortunately, the bill that was signed had some drafting errors, [SB 778 \(Committee on Labor, Public Employment and Retirement\)](#) fixes those errors. Under AB 1343, as interpreted by the Department of Fair Employment and Housing, employees that receive sexual harassment prevention training in 2019, would be required to also receive the training in 2020. However, the intent of the legislation was to allow employees to receive the training every two years. SB 778 corrects the drafting error to allow employees receiving training in 2019 to not be required to receive the training again until 2021. This bill includes an urgency clause and will become effective as soon as it is signed by the Governor.

Human Resources Bills Amended, Died, and Held-Over During House of Origin Deadline

The California State Legislature is a deadline driven Legislature. May 31 was one of those deadlines; the House of Origin deadline. By May 31, all bill must pass the house that they are introduced in (Senate or Assembly) or they are held over in their current location until the following year and referred to as "two-year bills." Below are a few of the bills that were acted on just prior to the House of Origin deadline:

[AB 555 \(Gonzalez\)](#) – Paid Sick Leave – **Oppose**

Status: 2-Year Bill on the Assembly Floor

This bill, which would extend the current 3-day minimum sick leave allowance for employees to 5-days, was placed on the Assembly Inactive File. No further action can be taken on AB 555 until January 2020.

[AB 628 \(Bonta\)](#) – Sexual Harassment Leave – **Oppose**

Status: Failed passage on the Assembly Floor (36-15)

Current law allows employees that are victims of domestic violence, sexual assault, or stalking to take time off to access related services or counseling, without fear of retaliation from their employers (25 or more employees). This bill, similar to AB 2366 (Bonta, 2018), would have allowed this time off for victims of sexual harassment and immediate family members of victims of sexual harassment.

[AB 639 \(Carillo\)](#) – Penalties for Failure to Pay Wages – **Oppose**

Status: Passed Assembly Floor as amended and is now in Senate Rules Committee

This bill which would have created a new civil liability for employers by allowing an employee to directly bring a civil suit against an employer for failure to pay wages, rather than go through the Office of the Labor Commissioner, has been significantly amended and removed the new civil action provision from the bill. With the amendment CSDA anticipates joining the California Chamber of commerce in removing our opposition to the bill.

Should you have any questions or comments about these bills, please contact CSDA Senior Legislative Representative Dillon Gibbons at dillong@cdda.net.



➤ DISTRICTS MAKE THE DIFFERENCE

Districts Make the Difference was created to increase public awareness and understanding of special districts across California. The campaign website, www.districtsmakethedifference.org provides a public place to learn more about special districts and the positive effect they have on their communities, while also serving as a resource for districts to download useful materials, collateral, and information.

2019 Student Video Contest Launches

Districts Make the Difference has launched the 2019 Student Video Contest! The new submission period is open now until **September 30** to allow more students to participate.

Students are encouraged to be as creative as possible when making their 60-90 second videos. That's correct, the length of the videos has also been extended! Students can now create videos up to 90 seconds long.

Do you know a student who may be interested? Do you know a teacher, principal, superintendent, or school board member that can help promote the contest? Resources are available on the Districts Make the Difference website to help you promote the student video contest on your website, social media, or in your office.

Start spreading the word using these resources available at DistrictsMakeTheDifference.org/video-contest:

- Flyer/Poster
- Contest Scholarships Graphic
- Contest Scholarships Banner
- Steps to Enter Graphic
- Statewide Voting Graphic
- Sample Newsletter/Website Content

Chapters are also encouraged to hold a local contest in conjunction with the statewide competition. A toolkit detailing how to facilitate a local contest is now available. Last year, the Alameda County Special Districts Association, Contra Costa Special Districts Association, and Santa Clara County Special Districts Association all held local contests and selected a local student winner from their communities. Contact your public affairs field coordinator for more information.

Hosting a local contest is a wonderful way for students to learn about your special district and potentially win a scholarship! Promotional materials including a flyer and the social media graphics are also available on the Districts Make the Difference website at www.DistrictsMakeTheDifference.org/video-contest.

For more information about the contest and to watch last year's winning videos, visit the [Districts Make the Difference website](http://DistrictsMakeTheDifference.org).



➤ OTHER WAYS TO TAKE ACTION

Learn More

2019 CSDA Award Nominations are now open! Deadline July 17, 2019

Each year, CSDA presents various awards during the CSDA Annual Conference & Exhibitor Showcase. There are several different categories to enter your district, chapter, and/or an individual. All nominations must be received by July 17, 2019. Nominate your candidate and learn more here:

<https://www.csdanet/about-csdanet/get-involved/awards>.

Utilize Resources

CSDA has partnered with the government surplus auction, GovDeals, to provide special districts and other government agencies with an easy-to-use, transparent web-based platform for buying and selling surplus items online. Visit the [Surplus Marketplace](#) to check out items listed by government agencies across the USA. Browse through a wide selection of pre-owned vehicles, office furniture, tools and equipment, storage sheds, and much more. Contact Jason Weber at jweber@govdeals.com or 310.600.3651 for more information.

Join Today

Join an Expert Feedback Teams to provide CSDA staff with invaluable insights on policy issues. Email marcusd@csdanet to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email advocacy@csdanet for help accessing these additional member resources.

[Agency letterhead]

[Date]

The Honorable Phil Ting
California State Assembly
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1486 (Ting) – Oppose Unless Amended [As Amended May 16, 2019]

Dear Assembly Member Ting:

The **[District name]** is respectfully opposed to Assembly Bill 1486 unless it is amended to address our concerns. AB 1486 would impose onerous new requirements on public agencies attempting to dispose of their land. **[Include a brief description of your district]**

The Surplus Land Act (SLA) requires special districts and other local agencies to offer the right of first refusal to affordable housing developers, schools, and parks before selling their land. The new requirements imposed by AB 1486 would force public agencies to open up land currently preserved for public purposes to private development by applying a new definition to the requirements of the SLA limiting public agencies' flexibility in maximizing their land and facilities.

AB 1486 also would require a local agency to notice the availability of property prior to participating in any formal or informal negotiations to dispose of the land and would prevent local agencies from negotiating anything other than price in the disposition of surplus land. These provisions would make it difficult for an agency to get a good sense of the market value of their land and impossible to negotiate reserved rights and easements.

Finally, AB 1486 would invalidate any transfer or conveyance of land for value where a public agency did not comply with the requirements of the SLA. This provision would make public agencies' land less marketable when buyers are aware a purchase could be invalidated and would make it difficult for potential buyers to secure the financing and insurance necessary to make property purchases possible, costing public agencies and the communities they serve millions of dollars.

[Provide a specific explanation of how the proposed legislation will negatively impact your community and region. Would your district be inhibited from future disposal of the district's land? Describe the situation specifically.]

We respectfully request AB 1486 be amended to address these issues. Our opposition is not a challenge to the need for affordable housing, but a validation of the need for local flexibility when it comes to proper governmental land use management.

For these reasons, **[name of district]** respectfully opposes AB 1486 unless it is amended.

Sincerely,

[Your name, Title]
[Name of your district]

CC: Tara Gamboa-Eastman, Office of Assembly Member Phil Ting [Tara.Gamboa-Eastman@asm.ca.gov]

[Your Assembly Member]

[Your Senator]

Rylan Gervase, Legislative Representative, California Special Districts Association
[advocacy@cda.net]

(Your Agency's Letterhead)

[Date]

The Honorable [Your Legislator's Name]
California State [Senate/Assembly]
State Capitol
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Assembly Member/Senator [Your Legislator's Last Name]:

On behalf of the [Name of your district], I am writing to support ACA 1 (Aguiar- Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and public infrastructure projects. [Include a brief description of your district].

ACA 1 targets the urgent needs of local communities. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing, and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing. The California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of the purpose a city, county, or special district is seeking those funds.

ACA 1 will provide mechanisms for cities, counties, and special districts to have a viable financing tool to help address important community needs for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

[Be sure to explain how the proposed legislation will help your community and the constituents you share with the legislator.]

If approved by the Legislature, ACA 1 would then have to achieve voter approval during a statewide election. This would further solidify the fact that voters support this change.

Californians want to have an impact on their communities, because they know best what their families and neighbors need.

For these reasons, [District Name] is pleased to support Assembly Constitutional Amendment 1. Please feel free to contact me if you have any questions.

Sincerely,

[Your name, Title]

[Name of your district]

cc: Anthony Tannehill, Legislative Representative, California Special Districts Association
[advocacy@cda.net]